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NAVAL POSTGRADUATE SCHOOL

MONTEREY, CALIFORNIA

THESIS

**ARCTIC SOVEREIGNTY DISPUTES: INTERNATIONAL
RELATIONS THEORY IN THE HIGH NORTH**

by

Darrin D. Davis

December 2011

Thesis Co-Advisors:

Anne L. Clunan
Mikhail Tsypkin

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**ARCTIC SOVEREIGNTY DISPUTES: INTERNATIONAL RELATIONS
THEORY IN THE HIGH NORTH**

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Submitted in partial fulfillment of the
requirements for the degree of

**MASTER OF ARTS IN SECURITY STUDIES
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ABSTRACT

As an emerging geopolitical hotspot, will the future of the Arctic be dominated by conflict or cooperation among states? With the potential for vast natural resources and the promise of transpolar shipping, the opening Arctic may be the new frontier for global competition. This thesis uses two theories of international relations, neorealism and neoliberal institutionalism, to evaluate the geopolitical landscape of an opening Arctic.

This thesis argues that the characterization of the Arctic as a zone of either competition or cooperation is overly simplistic. While structural neorealist theory can accurately account for some of the Arctic countries' behavior, it is unable to explain forms of cooperation existing and emerging among them. In addition to laying out the overall state of cooperation and conflict among the Arctic countries, this thesis also examines two cases in detail: conflicts between Russia and Norway over the Barents Sea, and the United States and Canada over the Northwest Passage. Neorealism fails to account fully for the emergence of cooperation in the form of an equitable treaty on the maritime delimitation line between Russian and Norway. The international regimes were enablers of inter-state cooperation in the U.S.-Canadian case, and were a contributing factor in dispute settlement.

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LIST OF ACRONYMS AND ABBREVIATIONS

ANWR	Alaska National Wildlife Refuge
CFSP	Common Foreign and Security Policy
DFO	Canada's Department of Fisheries and Oceans
EEZ	Exclusive Economic Zone
EU	The European Union
IAEA	International Atomic Energy Agency
IPCC	United Nations Intergovernmental Panel on Climate Change
IR	International Relations
NAFTA	North American Free Trade Agreement
NATO	North Atlantic Treaty Organization
NORAD	North American Aerospace Defense Command
NSPD	National Security Presidential Directive
OSCE	Organization for Security Cooperation in Europe
RADM	Rear Admiral
SAR	Search and Rescue
SSBN	Nuclear powered Ballistic Missile Submarine
UN	The United Nations
UNCLOS	United Nations Convention on the Law of the Sea
USGS	United States Geological Service

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I. INTRODUCTION

A. PROBLEM

As an emerging geopolitical hotspot, will the future of the Arctic be dominated by conflict or cooperation among states? Who are the primary actors and what are the primary institutions for the region? What are the areas of possible conflict and cooperation that are specific to an opening Arctic? Do neorealist or neoliberal theories of international relations best describe the geopolitical landscape of an opening Arctic when applied to issues of sovereignty?

Rising interest and heated debate surrounding the Arctic in international relations are outstripping even the most extreme environmental predictions for global warming and its effects on the polar ice cap. With potentially vast natural resources and the promise of greatly decreased shipping times, the Arctic may be the new frontier for global competition. The region has spurred great interest in recent years. While many of the published works debate whether the region will be dominated by conflict or cooperation, few have attempted to apply political science theories of international relations to the Arctic as a region. Understanding on what basis the future geopolitical landscape of the Arctic will be sculpted is imperative.

From a national security perspective, the military will likely have growing responsibilities in the region as the Arctic continues to develop into an economic zone. As Robert Keohane wrote in *After Hegemony*, “this is essential because economic issues, if they are crucial enough to basic national values, may become military-security issues as well.”¹ An increased presence of military forces has been interpreted as evidence of a new era of power politics in the Arctic. The extent of the military’s role in the region should however be determined based on a complete understanding of the likelihood of conflict. Even if outright conflict is avoided and cooperation emerges, the military will have a role in monitoring the region for rule compliance and at times will be required to

¹ Robert Keohane, *After Hegemony* (Princeton, NJ: Princeton University Press, 1984), 39.

demonstrate force or presence in the event of rule-breaking. An increase in presence of military forces in the region does not either confirm or undermine theories of international cooperation of conflict. What is necessary is to investigate to what purposes military forces are directed.

Similarly, claims regarding the dominance of cooperation in the region need to be evaluated. Despite assertions that the Arctic has been mostly defined by cooperation rather than conflict, disputes over sovereignty remain. RADM David Titley, the U.S. Navy's Oceanographer, attempts to soothe fears by framing the region in simple terms as an ocean, as in this quote:

What stops the Arctic from being the Wild West? As it turns out, there is an internationally agreed governance regime for how we work on the oceans. It is called the United Nations Convention on the Law of the Sea. A hundred and sixty countries have ratified the treaty. A handful of countries have not; among those are North Korea, Iran, Syria, and the United States.²

This is certainly true to a degree, but it may be an over-simplification given the numerous unsettled sovereignty disputes in the region. The UNCLOS is certainly the foundation to international cooperation in the Arctic region. The fact that the United States remains a non-signatory should not be casually dismissed, however, nor should states assume that the UNCLOS will provide the only needed framework to solve the complex and evolving issues of an open Arctic. Power politics and the struggle for cooperation via institutional regimes like the Arctic Council may well play a role equally as large as the UNCLOS does.

The purpose of this thesis is to evaluate the behavior of Arctic states in light of international relations theories of cooperation and conflict. The goal is to understand whether power politics are the dominant driver behind Arctic disputes, or whether international institutions are bounding competition and shaping cooperative behavior in the region. This thesis will then draw conclusions about the validity of both theories in

² David Titley, "Global Climate Change," In *The Climate and Energy Symposium 2010 Proceedings Book*, Johns Hopkins University, 29 March 2011, 35.

explaining the Arctic states' behavior. The next section develops the specific hypotheses that will be examined and evaluated in this thesis.

B. HYPOTHESES

Increased commercial activity in the Arctic is certain, even though predictions about timeframe vary. The opening of the Arctic will bring dormant and unresolved issues to the forefront as states compete for maritime shipping economies and access to hydrocarbon natural resources on the continental shelves. Therefore, two specific areas of sovereignty disputes emerge as appropriate case studies for patterns of cooperation and conflict: border disputes and navigable waters disputes. In order to understand how these important issues have been and will be resolved, this thesis will test two theories of international relations, neorealism and neoliberal institutionalism, against two specific cases of sovereignty disputes.

The expectations of state behavior in neorealism are clear. States will seek to maximize their security and use their military power to do so. States have several strategies to pursue power and increase their security: military development and force projection, increasing their elements of national power through economic means, and by seeking alliances. Therefore, several predictions arise for this case study. First, an opening Arctic would result in states pursuing resources and economic development of the region to boost national power. Second, the pursuit of economic development will bring increased human activity and increased security threats to the region, so we should expect an increase in military activity in the region and the development of military capability for Arctic operations. Third, based on the structure of the Arctic we expect Canada and Norway to pursue security through an alliance with the United States. Finally, states should ignore or break the rules established by international regimes and institutions when it is in their interest to do so.

This thesis argues that the characterization of the Arctic as a zone of either competition or cooperation is overly simplistic. Both theories have some value in explaining the behavior of states in the Arctic. Neorealism, with its focus on elements of national power, provides a powerful theoretical explanation for the Arctic states' interests

in the region. However, voluntary restraints in competition for Arctic resources have already emerged and these outcomes are problematic for neorealism. I expect that neoliberal institutionalism will perform better in the Arctic because it accepts many of the assumptions of neorealism, such as the pursuit of self-interest by states and the importance of power structures, yet offers the flexibility to allow for cooperation by states engaged in competition for resources. Additionally, neoliberal institutionalism recognizes the importance of actors other than states. This key difference should perform better in the Arctic region because it is primarily a maritime region, one in which recent international legal regimes have allowed for the extension of state control beyond traditional land boundaries and their territorial waters.

C. THEORETICAL LITERATURE REVIEW

1. Introduction to International Relations Theory Literature

In order to proceed, it is necessary to outline some basic definitions and concepts used to frame the theoretical frameworks employed in the thesis. Most of these concepts will be common to both case studies, so this short review of international relations theory literature will serve as an economical reference point for the rest of the thesis.

The first framework to be tested will be a structural realist approach that borrows heavily from Stephen M. Walt's *The Origins of Alliances* and John J. Mearsheimer's *The Tragedy of Great Power Politics*. The second framework follows Robert Keohane's neoliberal institutionalism approach and for the North American case study it utilizes Keohane and Nye's complex interdependence framework.

2. Neorealism

What is power? Power for neorealists can be divided in two categories, military power and latent economic power.³ Military power is the most straightforward measure of a state's power. It can be calculated by a simple survey the tangible assets of the military (e.g., troops, tanks, or tomahawks). Latent power is, "related to the socio-

³ Keohane, *After Hegemony*, 55.

economic ingredients that go into building military power; it is largely based on a state's wealth and the overall size of its population.”⁴ In realist terms military power is the crucial factor, but economic power is also important because it indicates the level of potential resources it can draw from to wage war.

The geographical distribution of power in neorealism is crucial in addition to the simple calculation of a state's power. Structural realism, or neorealism, as described by John J. Mearsheimer, places a premium on the relationship of states to each other in terms of power in order to describe interstate behavior.⁵ Mearsheimer claims that states seek power in order to survive, and that states that acquire substantial power are “strongly inclined to seek regional hegemony.”⁶ This has important implications for the Arctic region. If the structure is multi-polar and unbalanced, then according to structural neorealism it will be more prone to conflict as the regional power seeks out regional hegemony.⁷ The structure of the system is also important when considering Stephen M. Walt's theories of alliance formation.

According to Walt, power is important but is not the most critical factor in choosing allies. Instead, it is the perception of threat that determines what a state does.⁸ Factors of power are therefore combined with factors of “geographic proximity, offensive power, and aggressive intentions.”⁹ Threat does not necessarily have to be overt in neorealism. A regional power's military capability alone may be enough to create fear in a weaker power. Therefore, structure as well as state actions can feed threat perception. Weaker states have two options in this case, to balance or bandwagon. The balancing

⁴ Ibid., 55.

⁵ John J. Mearseheimer, *The Tragedy of Great Power Politics* (New York, NY: Norton and Company), 2001, 13.

⁶ Ibid., 232.

⁷ Ibid., 344.

⁸ Stephen M. Walt, *The Origins of Alliances* (Ithaca, NY: Cornell University Press, 1987), 21–22.

⁹ Walt, *The Origins of Alliances*, 22.

strategy emerges when states ally with other lesser powers to counter a greater regional power. The bandwagon strategy predicts an alliance between a lesser power and a more threatening greater power in the region.¹⁰

3. Neoliberal Institutionalism

Before exploring the differences between the two theories it is crucial to acknowledge some similarities neoliberal institutionalism has with neorealism. First, they are both structural theories that acknowledge power relationships in the international system. Second, they both take the state as the primary actor and both assume the state will act rationally. Finally, both assume that the system of international relations is inherently anarchic, and that states will pursue their self-interests. Keohane concludes that states seek wealth and power because they are complementary and that rhetoric about global welfare is just political cheap talk.¹¹

Neoliberal institutionalism offers a theoretical alternative to neorealist predictions of perpetual conflict. It differs from neorealism in three fundamental ways. First, while neorealism assumes that states are the primary actors and that they are rational unitary actors, neoliberal institutionalism allows for multiple channels of connectedness between states.¹² Second, when such channels exist and are costly to break, states are in a condition of complex interdependence, where there is no clear hierarchy of issues. While neorealism predicts that military security will always retain primacy in interstate relations, neoliberal institutionalism predicts that, under conditions of complex interdependence, the hierarchy of the agenda is usually neither clear nor consistent. Neorealism focuses on military power and the threat to use force to achieve state goals. Neoliberals suggest that, in a complex interdependent relationship, the use of military force between the states in the relationship is not a realistic option for solving disputes.

¹⁰ Ibid., 178–179.

¹¹ Keohane, *After Hegemony*, 22.

¹² Robert O. Keohane and Joseph S. Nye, *Power and Interdependence*, 2nd ed. (New York, NY: Harper Collins, 1989), 24–25.

Finally, neoliberal institutionalism emphasizes that international regimes such as the UNCLOS can generate interest in cooperation rather than conflict.¹³

The primary difference between the two theories rests on the role of international regimes and interdependence in producing cooperation between states pursuing self-interest in an anarchical environment. As Keohane's theory describes the process, states "develop institutions and practices that will enable them to cooperate more effectively without renouncing the pursuit of self-interest."¹⁴ This thesis uses his definition of cooperation that distinguishes it from the "invisible hand" concept of harmony that is found in liberal economic market theory. Instead, "cooperation requires that the actions of separate individuals or organizations- which are not in pre-existent harmony- be brought into conformity with one another through a process of negotiation."¹⁵ To do this states establish and rely on international regimes.

International regimes are defined as, "sets of implicit or explicit principles, norms, rules and decision-making procedures around which actors' expectations converge in a given area of international relations."¹⁶ "International regimes are valuable to governments not because they enforce binding rules on others (they do not), but because they render it possible for governments to enter into mutually beneficial agreements with one another."¹⁷ This process is called "bargaining" and is the key to neoliberal institutionalism theory. States will weigh the costs of conflict and are willing constrain their power in situations where they have common interests and will both mutually benefit.

From the neoliberal institutionalism approach, international regimes and institutions are important actors in international relations. International regimes are defined as, "sets of implicit or explicit principles, norms, rules and decision-making

¹³ Keohane, *After Hegemony*, 63–64.

¹⁴ Ibid., 30.

¹⁵ Keohane, *After Hegemony*, 51.

¹⁶ Stephen D. Krasner, "Structural causes and regime consequences: regimes as intervening variables," in Stephen Krasner, ed., *International Regimes* (Ithaca, NY: Cornell University Press, 1983), 2.

¹⁷ Keohane, *After Hegemony*, 13.

procedures around which actors' expectations converge in a given area of international relations."¹⁸ "International regimes are valuable to governments not because they enforce binding rules on others (they do not), but because they render it possible for governments to enter into mutually beneficial agreements with one another."¹⁹ This process is called "bargaining" and is the key to neoliberal institutionalism. States will weigh the costs and benefits of conflict and cooperation and are willing constrain their power in situations where they have common interests and will both mutually benefit. Complex interdependence, by allowing for multiple channels of communication between states, allows for these regimes to play an important role in interstate relations.

D. METHODS AND SOURCES

To evaluate the two approaches, this thesis will address several neorealist issues. It will attempt to characterize the structure of the Arctic region in neorealist terms as Waltz did in his book, *Theory of International Politics*.²⁰ From this characterization it will seek to understand the likelihood of conflict. Once the structure is outlined this thesis will test Walt's theory of alliance formation.²¹ Finally, it will consider the predictions of state behavior offered by Mearsheimer's theory of offensive realism.²²

For the neoliberal theoretical test this thesis will look at the role of international organizations in Arctic governance.²³ The primary institutions and regimes to be investigated will be the United Nations (and the UN Convention on the Law of the Sea), as well as the Arctic Council. For the Neoliberal approach this thesis will address several issues. First, this thesis will investigate the assumption that states act rationally and that rule-based regimes allow them to benefit over time through cooperation, and that those benefits outweigh the costs of constraining their behavior in the short term. Second, it

¹⁸ Robert Keohane, "The demand for international regimes," in Stephen Krasner ed., *International Regimes* (Ithaca, NY: Cornell University Press, 1983), 141.

¹⁹ Keohane, *After Hegemony*, 13.

²⁰ Kenneth N. Waltz, *Theory of International Politics* (New York, NY: McGraw Hill, 1979).

²¹ Walt, *The Origins of Alliances*.

²² Mearhseimer, *The Tragedy of Great Power Politics*, 364–365.

²³ Keohane, *After Hegemony*, 12.

will examine the international regimes in the Arctic and highlight established rules, and evidence of compliance and non-compliance. Third, it will identify evidence of international regimes acting as forums for discussion and bargaining, and ultimately to assess whether they enhance cooperation in the Arctic region. Finally, it will examine the impact of complex interdependence on the relationship between the United States and Canada.²⁴

The first case study will focus on Norway and Russia's recently resolved border dispute in the Barents Sea. This case involves two of the most prominent littoral Arctic states and at the surface demonstrates the cooperative approach to Arctic dispute resolution. The resolution of a border dispute in a known resource-rich area will offer a relevant test of the two international relations theories. The neoliberal theory can be tested in this case to examine the role of international organizations and regimes in the bargaining process. Does the relative power of the State exert more influence on final outcomes than negotiation within a rule-based framework? Once a decision has been agreed to, what role will the Arctic Council and the UN play in enforcing and monitoring them?

Analyzing this case study through a neorealism lens will address a different set of issues. The first issue is to determine the relative power of both states in the structure of the international system and the Arctic. The second problem is identifying their behavior and strategic goals in the region to determine the "balance of threat" structure. In addition to power and intentions, the relationship between the states must be investigated. Neorealists assume that states inherently mistrust each other and that a level of fear always exists between states and that they are constantly attempting to shift the balance of power in their favor. In this case study the dispute is resolved and therefore the outcome can be examined and evaluated to fully test both theoretical approaches. If the calculation of power is found to be widely disparate yet the results of the settlement are mutually beneficial then the neoliberal approach may demonstrate a stronger ability to explain the behavior of Norway and Russia during the dispute resolution.

²⁴ Keohane and Nye, *Power and Interdependence*, 165.

The second case study will focus on the dispute over the legal definition of the Northwest Passage that exists between the United States and Canada and the broader implications of contested access to new maritime trade routes in the Arctic. Mearsheimer argues that states are “always searching for opportunities to gain power over their rivals.”²⁵ In this case, long-standing allies are vying for relative power over the future of maritime shipping in the Arctic. If Canada can successfully secure the Northwest Passage as internal waters rather than an international strait, it stands to gain relative power over the United States in terms of latent socio-economic power. This thesis will investigate how both states pursue this self-interest. Additionally, using Walt’s alliance theory to understand Russia’s impact on the North American allies may hold explanatory power for the current state of Arctic affairs between the two states.

If both states work within the boundaries of international regimes and institutions it will support the neoliberal perspective; if both states break the rules of the international regimes and institutions the case study will support the neorealist hypotheses.

The neoliberal theory, when applied to the Northwest Passage dispute, is interesting because both the United States and Canada share a history of cooperation, interdependence, and deeply rooted mutual interests. However, as Keohane states, “even where common interests exist, cooperation often fails.”²⁶ One of the difficulties of this case study will be identifying the institutional role that the UN and the UNCLOS will play in what has been traditionally cast as a bilateral dispute.

The purpose of this thesis is not to analyze each side’s legal justifications or positions, instead it will seek out and illuminate actions taken by each country that fall within the framework of both theoretical approaches. Ultimately, the goal is to determine which theory performs better in this specific case of a sovereignty dispute in the Arctic.

This thesis will be based on qualitative historical study and analysis of two case studies, the Barents Sea dispute between Russia and Norway, and the Northwest Passage

²⁵ John J. Mearhseimer, *The Tragedy of Great Power Politics* (New York, NY: Norton and Company), 29.

²⁶ Keohane, *After Hegemony*, 6.

dispute between the United States and Canada. Primary source documents like the Ilulissat Declaration, the UN Convention on the Law of the Sea, the Barents Sea boundary treaty between Norway and Russia, the national Arctic strategy documents, and data concerning material wealth and power indicators will establish the empirical basis of this thesis. Secondary sources will be utilized to examine the actions taken by each state in pursuit of their Arctic goals. Scholarly secondary sources and commentary from major news outlets will supplement the primary sources to provide a complete and updated picture of the interactions between the primary Arctic actors and institutions.

E. THESIS OVERVIEW

This thesis will be organized as follows. Chapter I has provided an organizational overview of the thesis as well as a review of the pertinent theoretical literature on international relations. Chapter II will be an empirical background of Arctic issues and the national strategies of the Arctic states. This Chapter will also establish the basic assumptions of the thesis on climate change. Chapter III is the case study on the sovereignty disputes in the Barents Sea between Norway and Russia. Chapter IV examines the North American Arctic relationship and explores the Northwest Passage case study. Chapter V will offer evaluations of the strength of the two theories and conclusions on how disputes in the Arctic region have been negotiated or solved and the role of either neorealist or neoliberal paradigms in doing so.

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II. ARCTIC AFFAIRS OVERVIEW

A. BACKGROUND: CLIMATE CHANGE

This thesis does not address the specific debates over climate change predictions in the Arctic, but does assume that the Arctic is warming and in turn will continue to become more accessible to human activity. The basis of this position is drawn from the United States' official "National Intelligence Assessment on the National Security Implications of Global Climate Change to 2030," which utilized multiple government sources as well as the United Nations Intergovernmental Panel on Climate Change (IPCC) for its position on global climate change.²⁷ This government document describes general trends of rising global temperatures and rising sea levels and notes that, "in some cases, changes in ecosystems and natural resources are occurring faster and with larger magnitude than scientists anticipated as recently as ten years ago. Temperatures in the Arctic are rising almost twice as fast as the global rate."²⁸ While the predicted timeframes for ice-free Arctic summers varies widely, there is strong multi-disciplinary consensus on the reality of a melting Arctic. "Global climate change has catapulted the Arctic into the centre of geopolitics, as melting Arctic ice transforms the region from one of primarily scientific interest into a maelstrom of competing commercial, national security and environmental concerns, with profound implications for the international legal and political system."²⁹ Thus, the Arctic is a rapidly changing region with significant economic and security interests for the states that surround it.

²⁷ U.S. Congress, House, Permanent Select Committee on Intelligence, Energy Independence and Global Warming, *National Intelligence Assessment on the National Security Implications of Global Climate Change to 2030* (Washington, DC: Subcommittee on Intelligence, Energy Independence, and Global Warming, 2008), 2–4.

²⁸ *Ibid.*, 6.

²⁹ Charles K. Ebinger and Evie Zambetakis, "The geopolitics of arctic melt," *International Affairs* 85:6 (November, 2009): 12–15.

B. NATIONAL STRATEGIES OF THE ARCTIC FIVE

1. The United States

The United States refocused its strategic interests in the Arctic in January 2009, with the signing of National Security Presidential Directive 66, the Arctic Region Policy. This document outlines the policy and goals for the United States in the Arctic. NSPD 66 frames the Arctic as an area where “The United States has broad and fundamental national interests...and is prepared to operate either independently or in conjunction with other states to safeguard these interests.”³⁰

There are two phases of policy analysis employed here. The first phase is a review of what the goals and objectives of the policy are; the second is a look at how the state plans to achieve them. The goals outlined by the U.S. Arctic policy (NSPD-66) are summarized here: Defense of the homeland, projection of sea power in the Arctic maritime domain, securing sovereign rights and economic interests, and maintaining freedom of navigation.³¹ In order to achieve these goals, NSPD-66 directs the development of Arctic capabilities necessary to protect the United States, and also directs the increase in maritime domain awareness capabilities. The Arctic is a maritime frontier, and the United States has signaled its intent to develop it using traditional tools of national power, the sea services. These objectives alone, however, do not translate to an Arctic power buildup; to understand the overall strategy outlined in the policy, the implementation sections must be examined.

The U.S. policy emphasis on cooperation in the Arctic is significant; the 2010 Quadrennial Defense Review, which followed NSPD-66, suggests the importance of cooperation in “preventing and deterring conflict by working with and through allies and partners.”³² NSPD-66 directs the government to cooperate with other countries on Arctic

³⁰ George W. Bush, “National Security Presidential Directive/NSPD 66 and Homeland Security Presidential Directive/HSPD 25,” January 2009, 2.

³¹ Bush, “NSPD 66/HSPD 25,” 2.

³² U.S. Department of Defense, “Quadrennial Defense Review Report,” February 2010, 57.

issues primarily through the United Nations. However, it also suggests considering “new or enhanced international arrangements for the Arctic.”³³

As the lead department for the maritime domain, the U.S. Navy published the Arctic roadmap late in 2009. This document outlined and identified the requirements and responsibilities for achieving the goals specified in NSPD 66 and directed the development of a five-year plan for implementation. What should be noted from the perspective of strategy is that cooperation was assumed *before* the Navy’s strategic objectives were even defined. The “desired effect” section stated that the Navy should be “engaged in strong cooperative partnerships that preserve a safe, stable, and secure Arctic region.”³⁴ By May 2010 the Chief of Naval Operations, Admiral Gary Roughead, released the official Navy Strategic Objectives for the Arctic Memorandum. This outlined two key areas emphasizing cooperation. The first was the Navy’s role in “contributing” to the security, safety, and stability of the Arctic. The second was a requirement to “strengthen existing and foster new cooperative relationships in the region.”³⁵ The overall goals outlined in the Navy Strategic guidance match those outlined in NSPD-66 for security, defense, protection of U.S. interests, and development of capabilities.

Beyond signaling renewed interest in the region and a willingness to cooperate, the U.S. strategy documents do not define how the goals will be pursued, nor what specific institutions it is prepared to utilize to do so. There is wide consensus in the literature that the United States is a “late-comer” to the post-Cold War Arctic with most citing the United State’s dismal polar icebreaker fleet readiness as an example.³⁶ However, the persistence of the dispute with Canada over the legal definition of the

³³ Bush, “NSPD 66/HSPD 25,” 3–4.

³⁴ Navy Taskforce Climate Change, “U.S. Navy Arctic Roadmap,” U.S. Navy, Washington, D.C., October 2009, 7.

³⁵ Chief of Naval Operations, “Navy Strategic Objectives for the Arctic,” U.S. Navy, Washington D.C., May 2010, 5.

³⁶ Olaf Osica, “The High North as a New Area of Cooperation and Rivalry,” *Nova Europa Special Issue*, vol. 1, no. 4, 2010.

Northwest Passage indicates that there are significant unresolved disputes that also demonstrate the nascency of the U.S. policy on the Arctic.³⁷

2. Canada

Canada's approach to the Arctic can be best exemplified by the renaming of the Northwest Passage in 2009 as the "Canadian Northwest Passage."³⁸ Political name changing was reported as early as 2006 to assert Canada's sovereignty claims that the passage represents internal waters and is not an international strait as the United States claims.³⁹ One thing is clear, that Canada takes its Arctic sovereignty seriously. Next to Russia, Canada has the most extensive area of Arctic territory and by extension has much to lose if any state brings competing Exclusive Economic Zone claims. Canada's policy has been to secure its claims, while preventing conflict.

As Robert Huebert points out in the conclusion of an edited volume on the topic, the geopolitical environment of the Arctic is in transition. This transition is exacerbated by two facts. First, "the legal definition of the ocean boundaries of the Arctic is in flux," due to the United Nations Convention of the Law of the Sea (UNCLOS). Second, military and coast guard capabilities are being increased by most of the Arctic nations.⁴⁰ Transition periods are unsettling to those in power. This notion goes a long way in explaining Canadian perspectives, as well as Russian perspectives. Both countries are described as "Arctic Warriors" in their approaches to the Arctic.⁴¹

³⁷ Ted L. McDorman, "Canada's Ocean Jurisdiction in the Arctic: An Overview of Maritime Boundary Issues," in *Thawing Ice- Cold War*, ed. Rob Huebert (Winnipeg, Canada: University of Manitoba, 2009), 9–24.

³⁸ "Arctic Strategy Documents," Geopolitics of the Nigh North, http://www.geopoliticsnorth.org/index.php?option=com_content&view=article&id=84&Itemid=69&limitstart=4.

³⁹ Nathan Vanderklippe, "Northwest passage gets a political name change," *The Edmonton Journal*, April 9, 2006, <http://www.canada.com/ottawacitizen/news/story.html?id=6d4815ac-4fdb-4cf3-a8a6-4225a8bd08df&k=73925>.

⁴⁰ Robert Huebert, "Understanding Sovereignty and Security in a Changing Canadian Arctic," in *Thawing Ice- Cold War*, ed. Rob Huebert (Winnipeg, Canada: University of Manitoba, 2009), 122.

⁴¹ Osica, "The High North as a New Area of Cooperation and Rivalry," 21.

3. Russia

Russian approaches to the Arctic can be viewed in terms of a central theme, strategic resources. One side of the resource coin is Russia's interest in claiming potentially resource-rich territory, which Roger Howard does a fine job of summarizing. First he notes that:

The United Nations Convention on the Law of the Sea 1982 grants 'sovereign rights for the purpose of exploring and exploiting ... natural resources' over a 200nm exclusive economic zone from the coast. This gives Russia a large maritime presence beyond its northernmost territory, Franz Josef Land in the Barents Sea. Sovereign rights over a wider area (up to 150nm) can be claimed if it can be demonstrated that the outer continental shelf 'the natural prolongation of its land territory' – reaches beyond the 200nm limit.

Howard goes on to outline Russia's strategic approach to Arctic resources:

Russian President Dmitry Medvedev has claimed that the Arctic represents Russia's new 'resource base' for the twenty-first century, and in May 2009 the Kremlin argued, in a new national-security document, that 'in a competition for resources, it can't be ruled out that military force could be used for resolving emerging problems'.⁴²

The other side of the resource coin is the expected increase in interest in the region by states other than Russia and the resulting increase in traffic and activity in Russia's strategic front porch. With increased economic and military activity likely, Russia sees conflict possible as foreign entities encroach within a sphere that has seen little incursion throughout history. It is this strategic aspect of the Arctic that Roger Howard argues is the most important to Russia.⁴³ Attempts by Russia to restrict access to a navigable northern maritime zone mimic Canada's approach. Much like Canada and the Northwest Passage, the Russians claim a legal jurisdiction over the Northern Sea route and contest Canada's interpretation of it as an international strait.⁴⁴

⁴² Roger Howard, "Russia's New Front Line," *Survival* 52, no. 2 (April 2010): 141–156.

⁴³ Ibid., 145–146.

⁴⁴ Katarzyna Zysk, "Russia's Arctic Strategy Ambitions and Constraints," *Joint Forces Quarterly* 57, no. 2 (2010): 103–110.

This paints a troubling picture for the other Arctic nations. With its geographic and demographic domination of the Arctic, Russia's approaches to the Arctic have been alarming to certain other states, particularly when that rhetoric has been backed up by increases in Russian military activity in the region and the infamous planting of the Russian flag on the seabed of the North Pole.⁴⁵ However, Katarzyna Zisk argues that despite assertive rhetoric and bold military maneuvers, the fact that Russia has repeatedly given "assurances that Moscow would regulate Arctic issues through negotiations and with respect for the rules of international law" should give other states reassurance that the Russians intend to utilize diplomatic approaches to Arctic issues.⁴⁶ This view is supported by Russia's attempts to claim EEZ extensions in accordance with UNCLOS frameworks, and with its recent settlement of the boundary dispute in the Barents Sea with Norway.⁴⁷

4. Norway

The Norwegian government issued its first "High North Strategy" in 2006, and then updated it in 2009. The objectives and policy priorities were to "exercise authority," to be a good "steward" who safeguards the environment and indigenous populations while developing the Arctic, and, finally, to be a leader in international affairs of the region while strengthening cooperation with Russia.⁴⁸ Since Norway relies on oil and petroleum as a primary source of national income, Oslo's interest in Arctic resource development is high.⁴⁹ Norway's size relative to its massive Arctic neighbor Russia has compelled the Norwegians to seek out cooperation in the region, especially with Russia, but also with regional institutions such as NATO. Of the Nordic states Norway has the most military assets dedicated to the Arctic.

⁴⁵ Roderick Kefferputz, "On Thin Ice? (Mis)interpreting Russian Policy in the High North." *Centre for European Policy Studies* 205 (2010): 1–9.

⁴⁶ Zysk, "Russia's Arctic Strategy Ambitions and Constraints," 109.

⁴⁷ For a good summary of the issue see Holtmark, Sven G. and Brooke A. Smith-Windsor eds, "Security prospects in the High North: geostrategic thaw or freeze?" *NATO Defense College Forum thesis* 7 (May, 2009): 88–91.

⁴⁸ Geopolitics of the Nigh North, "Arctic Strategy Documents."

⁴⁹ Osica, "The High North as a New Area of Cooperation and Rivalry," 27.

5. Denmark and Greenland

Denmark, and in the past, Greenland under Denmark have been quite successful in resolving Arctic disputes. They have settled disputes with Canada, Iceland, and Norway. Although all the disputes were negotiated on a bilateral basis, the dispute with Norway over Jan Mayen was first settled in the International Court of Justice.⁵⁰ In fact, Nordic cooperation has been so successful that it has been suggested in the literature as another avenue in the management of Arctic issues.⁵¹ The historical experience of the Nordic states with respect to Russia no doubt fuels the high level of cooperation between them.

6. Finland

Finland, while not a true littoral Arctic state, has also generated a strategy document and expressed interest in the region. The Finnish document emphasizes cooperation through the established international legal framework of the UNCLOS and the inter-governmental Arctic Council. Finland defines its objectives as maintaining an influence in Arctic affairs within the European Union and Barents Euro-Arctic Council, as well as preserving and protecting the environment and indigenous people. The document also recognizes the possibility of resource wealth and the desire for a Finnish contribution to the economic development and commerce of the region.⁵² In summary, the Nordic States can be described as pragmatic. They seem interested in solving the Arctic disputes in a method that limits conflict in order to develop commerce in the Arctic, all while acknowledging the region's fragile eco-system and the need to protect it.

⁵⁰ Holtsmark, "Security prospects in the High North: geostrategic thaw or freeze?" 89.

⁵¹ Alyson J. K. Bailes, "Options for Closer Cooperation in the High North: What is needed?" in *Security prospects in the High North: geostrategic thaw or freeze?* Eds. Sven G. Holtsmark and Brooke A. Smith-Windsor, NATO Defense College Forum Paper 7 (May 2009): 52.

⁵² *Finland's Strategy for the Arctic Region*, Prime Minister's Office Publications, August 2010. <http://www.geopoliticsnorth.org/images/stories/attachments/Finland.pdf>

C. SECURITY CONCERNS IN THE ARCTIC REGION

The survey of the Arctic state strategies illuminates several recurring security issues. The primary issue is the interpretation of international law and the settling of disputes between states over differences in interpretations. International ocean law, which is of prime concern for the Arctic, is centered on the 1982 United Nations Convention on the Law of the Sea, which over 150 countries (including all Arctic States, except the United States) have ratified.⁵³ However, Holtsmark points out that “UNCLOS is a legal regime, not an institution; its solutions must be formulated in regard to individual nations and also implemented by them.”⁵⁴ What institutions can address these issues?

The five Arctic powers signed the Ilulissat Declaration in May 2008, which above all established that the signatories would “approach the next phase of High North challenges in a cooperative, peaceful, responsible, market-based and law abiding mode.”⁵⁵ However, it also proclaimed that the states “did not see the need for a new comprehensive international legal regime.”⁵⁶ This leads to the conclusion that the Arctic powers are committed to resolving disputes peacefully within the international legal framework of the UNCLOS, but probably bilaterally and not through an institution.

Strategic security issues are difficult to define for the Arctic. Almost all the issues can be classified as strategic and security issues, from high-end military operational questions to environmental and indigenous population questions. This thesis will define the strategic security challenges as purely military, with full recognition that even military operations will be connected to the entire spectrum of Arctic issues.

The military security challenges begin with Arctic operational capability gaps and maritime domain awareness challenges. Rear Admiral David Titley, the U.S. Oceanographer of the Navy, recently outlined some of those security considerations from

⁵³ Holtsmark, “Security prospects in the High North: geostrategic thaw or freeze?” 84.

⁵⁴ Bailes, “Options for Closer Cooperation in the High North: What is needed?” 50.

⁵⁵ Bailes, “Options for Closer Cooperation in the High North: What is Needed?” 50.

⁵⁶ Ibid., 50.

a Naval perspective and highlighted the following challenges: “lack of support infrastructure and logistics support, environmental hazards, and communications difficulties. Antiquated nautical charts, drifting ice, low visibility, and the paucity of electronic and visual navigation aids hinder safety of navigation. A lack of coastal installations also contributes to the difficulty of search and rescue (SAR) operations.”⁵⁷ These challenges are from an American perspective, but these issues affect all military operators in the Arctic, even the more experienced ones such as Russia and Canada. Since the end of the Cold War no international or regional security institution has been heavily involved in military security cooperation in the Arctic.

The non-military end of the security spectrum is comprised of issues such as environmental concerns, safe economic development, and scientific research. These issues are all complex and interconnected. The Arctic Council was established in 1996 as a high level forum for the five littoral Arctic nations as well as Iceland, Finland, and Sweden for addressing these issues. The crucial aspect to note is that “the Arctic Council works by consensus. It has no regulatory mandate and relies on building consensual knowledge and understandings.”⁵⁸ It does, however, have a unique feature, which qualifies it to address the “responsible development” goals that all the Arctic states have professed for the region. “A special feature of the cooperation is the role given to six groups of indigenous peoples: as “permanent participants” they participate in decision-making along with the eight states.”⁵⁹

This is just a high level overview of the myriad security issues discussed in the literature, but it is also an attempt to categorize them for the following discussion of international institutions and their ability to address the security challenges of the Arctic. In the interest of space and the need to focus on the institutions, in depth discussion of the security issues has been curtailed.

⁵⁷ David W. Titley and Courtney C. St. John, “Arctic Security Considerations and the U.S. Navy’s Roadmap for the Arctic,” *Naval War College Review* 63, no. 2 (2010), 35–48.

⁵⁸ Alf Hoel, “The High North Legal-Political Regime.” *Security prospects in the High North: geostrategic thaw or freeze?* in *Security prospects in the High North: geostrategic thaw or freeze?* Eds. Sven G. Holtmark and Brooke A. Smith-Windsor, NATO Defense College Forum Paper 7 (May 2009): 94.

⁵⁹ *Ibid.*, 94.

D. INSTITUTIONS FOR ARCTIC SECURITY COOPERATION

1. The United Nations and The Law of the Sea

The United Nations serves as the international legal framework body for the Arctic predominantly through the UNCLOS. The UNCLOS “provides a good basis for handling a large bundle of the issues involving territorial jurisdiction, resource extraction, navigation and environment protection, but the United States, alone among Arctic Council members, has yet to ratify it.”⁶⁰ There is wide consensus on the viability of the UNCLOS across the Arctic nations. However, the Senate has been resistant to accession so far despite widespread support in the executive branch of the government, security think tanks, and within the U.S. Navy.⁶¹ As a signatory to the Ilulissat Declaration the United States has agreed that “the law of the sea provides for important rights and obligations concerning the delineation of the outer limits of the continental shelf, the protection of the marine environment, including ice-covered areas, freedom of navigation, marine scientific research, and other uses of the sea. We remain committed to this legal framework and to the orderly settlement of any possible overlapping claims.”⁶² Despite the language in the Ilulissat Declaration, there does not seem to be a clear consensus in the literature on how issues will be resolved as long as the United States has not ratified the UNCLOS.

2. The European Union

Since 2008 the European Union has demonstrated ambitions and interests in the Arctic region. The EU Commission released a communiqué on the EU and the Arctic region outlining 3 primary policy objectives: “protecting and preserving the Arctic in unison with its population, promoting sustainable use of resources, and contributing to

⁶⁰ Bailes, “Options for Closer Cooperation in the High North: What is Needed?” 48.

⁶¹ Ronald O’Rourke, “Changes in the Arctic: Background and Issues for Congress,” Congressional Research Service, (October 15, 2010).

⁶² The Ilulissat Declaration, The Arctic Council, (May 2008), <http://www.ambmoskva.um.dk/NR/rdonlyres/08609E4F-8D34-4174-A419-A65547B317F0/0/ArcticOceanConference.pdf>.

enhanced Arctic multilateral governance.”⁶³ As with most EU approaches to the high politics of Common Foreign and Security Policy (CFSP), rhetoric nearly always outstrips action. Other than small-scale recommendations, like market bans on seal products, the goals outlined are couched in language that suggests rhetorical approaches in lieu of action for the first two goals. The third goal of promoting Arctic governance presents an interesting claim for the Arctic States. It boldly states, “There is no specific treaty regime for the Arctic. No country or group of countries have sovereignty over the North Pole or the Arctic Ocean around it.”⁶⁴ This is obviously a shot across the bow at the Ilulissat Declaration. That declaration, although brimming with noble statements about cooperation and transparency, can be viewed as an attempt by the Arctic five to take control of the region. Kefferputz noted, “This declaration, however, was primarily designed to reaffirm the sovereignty of the Arctic five in the High North, thus insulating the region from other interested actors.”⁶⁵ The EU Commission obviously sees this as problematic. Ultimately in its objectives section the Commission hedges its goals to simply supporting the existing legal frameworks and promoting dialogue and integration of Arctic concerns into EU policies.

In October 2008, the EU Parliament issued a resolution that recommended a differing approach with regards to governance, specifically the creation of a new treaty based on the Antarctic Treaty.⁶⁶ Keeping in mind that Arctic issues fall under the EU’s CFSP, which is still a new concept within the Union, it is understandable that the separate EU institutions will have differing approaches to the region. Ultimately, as Olaf Osica points out, a common critique of the EU is that, “despite Union declarations recognizing the Arctic as one of the key areas of its future activity, it is not quite certain whether the

⁶³ “The European Union and the Arctic Region, Communication from the Commission to the European Parliament and the Council,” (November 2008), <http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:DKEY=483680:EN:NOT>.

⁶⁴ EU Commission, “The European Union and the Arctic Region, Communication from the Commission to the European Parliament and the Council,” 9.

⁶⁵ Roderick Kefferputz, “On Thin Ice? (Mis)interpreting Russian Policy in the High North.” *Centre for European Policy Studies* 205 (February 2010): 6.

⁶⁶ European Parliament, “Resolution on Arctic Governance,” (October 2008). <http://www.europarl.europa.eu/sides/getDoc.do?type=TA&language=EN&reference=P6-TA-2008-0474>.

EU will actually be able to fulfill the role it has ascribed itself.”⁶⁷ The states most concerned with the Arctic in Europe will have to choose which institutions or arrangements they want to work through, if any, on Arctic issues. The intergovernmental approach to the CFSP within the EU will ensure that no action is taken contrary to the interests of the Arctic countries, despite the Commission’s policies.

3. NATO

No discussion of NATO’s role in the Arctic can go far without addressing Russia. As an Arctic power with a particular historical sensitivity to NATO, Russian views on the alliance’s role in the High North are not favorable. The following high-level media dialogue captured by Ronald O’Rourke of the Congressional Research Service demonstrates the cooperation gap. First, in October 2009, NATO Secretary General Anders Fogh Rasmussen stated, “I think it is within the scope of work for NATO to be the forum for consultation and discussion on [selected Arctic] issues.” This statement was followed by Russia’s ambassador to NATO stating that “Moscow would not cooperate with the alliance on Arctic matters.” In September 2010, Russian President Medvedev elevated the rhetoric significantly by stating that his government “views [possible NATO] activity with quite serious tension.”⁶⁸ This time period also witnessed tension between Russia and NATO over ballistic missile defense in Europe as well as the conflict in Georgia, which could have resulted in strong anti-NATO rhetoric reverberating into discussions of the Arctic. In any case, cooperation between NATO and Russia on security issues and military operations in the Arctic seems to be a remote possibility in the current political climate.

From the NATO perspective, involvement in the Arctic seems an obvious requirement. 4 of the five Circumpolar Arctic countries are members of the Alliance. As the transatlantic link between two of the 3 power poles surrounding the Arctic it seems perfectly suited to deal with security issues in the High North. While particular missions deriving from Arctic security requirements will likely be parsed across the civil-military

⁶⁷ Osica, “The High North as a New Area of Cooperation and Rivalry,” 41.

⁶⁸ O’Rourke, “Changes in the Arctic: Background and Issues for Congress,” 35.

spectrum, there is no doubt that tasks like maritime domain awareness and search and rescue, as well as the operation of remote installations are all firmly within the domain of modern military operations.⁶⁹ In the best scenario, NATO would be a forum for continued partnership and military preparedness that would allow for “sustainable stability,” not against a single threat as in the Cold War, but against multiple threats.⁷⁰ As a credible military alliance NATO has a significant head start on other institutions in terms of capabilities. Regardless of capability, the alliance will only achieve success when all the members agree to a goal. If consensus cannot be reached within the Alliance, then the Arctic five may resort to other arrangements to resolve Arctic issues.

4. The Arctic Council

The Arctic Council is an informal high-level institutional international regime for the Arctic. This intergovernmental forum is billed as the primary venue for international cooperation in the Arctic and has generated legally binding agreements on search and rescue. The Council is made up of the five coastal Arctic states (Canada, Denmark, Norway, Russia, and the United States) as well as Finland, Iceland, and Sweden.⁷¹

5. OSCE

Outside of the Arctic Council, the only other institution (aside from the United Nations and its subordinate or associated bodies, such as the IAEA) that all circumpolar states are a member of is the Organization for Security and Cooperation in Europe (OSCE).⁷² Bailes argues that while no one current institution can address the spectrum of Arctic security issues, all issues can be covered piecemeal by existing institutions.⁷³ So where would the OSCE fit in? The most significant aspect of the OSCE’s role in the Arctic would be the equal footing it gives Russia in shaping the agenda. In an interesting

⁶⁹ Holtsmark, “Security prospects in the High North: geostrategic thaw or freeze?” 25.

⁷⁰ Holtsmark, “Security prospects in the High North: geostrategic thaw or freeze?” 26.

⁷¹ The Arctic Council, “About the Arctic Council,” <http://arctic-council.org/article/about>.

⁷² Bailes, “Options for Closer Cooperation in the High North: What is Needed?” 47.

⁷³ Ibid., 51.

document from a 2008 OSCE annual security review conference, Russia proposed a plan to cooperate and notify OSCE members of planned naval activities in and around Europe.⁷⁴ This document outlined steps to cooperate and share information on naval activities among member nations, but it outlined significant restraints as well. Little discussion on the document is available, and it was likely disregarded as too tight a noose on American sovereignty. However, it does suggest that Russia would look favorably upon enhanced maritime cooperation in the Arctic under the OSCE, in which it has more influence than in NATO.

E. CONCLUSIONS

Several clear areas of consensus emerge from this overview. The first area concerns acceptance of global climate change and the effect it has on ice coverage in the Arctic. Although estimates differ on the timeline, most agree that within the next few decades significant portions of the Arctic will experience ice-free summers. Second, there is widespread belief that vast natural resources are present in the region ranging from oil and gas to fisheries. Finally, implementation of continental shelf extension claims under UNCLOS will be a source of disagreement and potential conflict.

The primary areas that do not exhibit a strong consensus in the literature are the practical approaches to operating in the Arctic and Russian relations and ambitions. All the Arctic states profess to believe that cooperation is paramount for success in the Arctic, but when it comes to specific capability development the dialogue dries up and each nation seems to be developing operational capabilities separately. While states recognize the challenges and warn of the dangers of Arctic competition, little to no discussion of how to overcome those challenges through security cooperation has emerged. Russia, in particular, seems to be the most difficult actor to clearly understand in the Arctic. Between aggressive dialogue and increasing military activity in the high north, Russia can at times be intimidating in its approach to preserving its Arctic

⁷⁴ Organization for Security Cooperation in Europe, “Confidence and Security-Building Measures in the Naval Area,” 2008 OSCE Annual Security Review Conference (July 2008), http://www.osce.org/documents/cio/2008/07/31972_en.pdf.

sovereignty and influence. However, significant examples of support for international legal frameworks and cooperation also emerge.

By examining two specific case studies of sovereignty disputes within the broader theme of an opening Arctic, this thesis attempts to solidify and reconcile the behavior of states in the Arctic. Through the exploration of two case studies comparing the way states solve sovereignty disputes in the Arctic, this thesis should illuminate the patterns of interstate behavior that define Arctic interstate relations in ways that are more meaningful and measurable than simple state strategy documents can signal on their own.

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III. THE BARENTS SEA DISPUTE

A. INTRODUCTION

In September 2010, Russian President Medvedev and Norwegian Prime Minister Jens Stoltenberg announced that their governments had come to an agreement on the maritime delimitation boundary in the Barents Sea. By March 2011, both countries had ratified the treaty ending a dispute over sovereign rights between the two Arctic neighbors that existed for half a century. Can international relations theory explain this recent cooperation between Russia and Norway on the settlement of the long-standing boundary disputes in the Barents Sea? This chapter will outline the background of the Barents Sea dispute between Norway and Russia, and describe the purported reasons for cooperation. For the realist analysis it will attempt to describe the reasons for national interest in the Arctic, to compare relative power, and to outline any possible realist explanations for the dispute resolution. To do this, it will analyze each country's National strategy for the Arctic, and it will examine military activity in the Arctic by both Russia and Norway in order to highlight state behavior. Realism predicts that states will use force projection and engage in security competition in situations where they seek to gain a power advantage. If the threat of conflict was present prior to the resolution of the dispute, it may indicate the pursuit of realist behavior by the states.

Neoliberal institutionalism predicts that international regimes and institutions are crucial in enhancing cooperation between states when the possibility of conflict exists. For this Chapter the United Nations Convention on the law of the Sea (UNCLOS) will be examined, as well as the Arctic Council.

What were the role of institutions and regimes in the resolution of the dispute and why are they important? For European politics the high north highlights three issues of interest. First, many countries see the region's alleged resource riches as a future source of energy for the continent, a future that is less reliant on Russian sources. Therefore, energy security in Europe will likely include Arctic issues for the foreseeable future. Second, the location of the dispute has geographical importance for Europe. Any

potential conflict in the Arctic has immediate repercussions for European neighborhood security. Not only has the EU formulated Arctic strategy documents, countries as far south as Poland have expressed increasing interest in the security of the high north. Understanding the reasons and mechanisms behind Russia and Norway's recent conflict resolution can allay fears over Arctic conflict in general, and help Europeans understand Russian intentions in particular. Finally, understanding how rapid changes to the climate and to the geopolitical situation contribute to either conflict or cooperation in this case study is paramount. This example is a benchmark for other Arctic issues that will emerge in the near future and is a critical test case for international relations theories in the Arctic. While neither Norway nor Russia are member states in the EU, their actions in the Arctic have profound impacts on the EU and politics in Europe.

B. BACKGROUND

Since 1974, former Cold War foes Russia and Norway had disputed a maritime boundary between their sovereign claims in the Barents Sea. This area of 175,000 square kilometers is believed to hold rich undersea deposits of petroleum and was a source of ongoing negotiations between Norway and Moscow until 15 September 2010, when Russian President Dmitry Medvedev and Norwegian Prime Minister Jens Stoltenberg announced that an agreement had been made on the boundary.⁷⁵ This agreement was ratified by parliaments in both countries by early 2011. Just as rhetoric about geopolitical conflict in the Arctic was heating up following a U.S. Geologic Service (USGS) survey detailing rich resource predictions in the Arctic in 2006 and the Russian flag plant on the seabed of the North Pole in 2007, the cooperation trumpets were being sounded.⁷⁶⁷⁷ Even more surprising was that analysis Russia had seemingly settled for an agreement that evenly divided the disputed area despite its clear power advantage in the region.

⁷⁵ Regjeringen Norway, "Joint Statement on Maritime Delimitation and Cooperation in the Barents Sea and the Arctic Ocean," (June 2010), www.regjeringen.no/en/dep/ud/Whats-new/news/2010/statement/delimitation.html?id=601983.

⁷⁶ U.S. Geological Survey, "90 Billion Barrels of Oil and 1,670 Trillion Cubic Feet of Natural Gas Assessed in the Arctic," July 23, 2008, http://www.usgs.gov/newsroom/article.asp?ID=1980&from=rss_home.

⁷⁷ Reuters, "Russia plants flag on Arctic floor," August 04, 2007, <http://www.cnn.com/2007/WORLD/europe/08/02/arctic.sub.reut/index.html>.

In security studies of the Arctic so far, little attempt has been made to analyze this case through the lens of international relations theories. At face value this case seems to present a model of IR cooperation for several reasons. First, the two states are longstanding strategic competitors that were polarized during the Cold War as enemies. Second, this dispute, as noted above, has been unresolved for decades. Third, the timing of the Barents' treaty agreement coincides with a recent realization that the region has significant resource potential and coincides with a warming trend in the Arctic that has encouraged human activity. Finally, all of this was allegedly done without overt power politics or the threat of conflict through bilateral cooperation guided by international law.

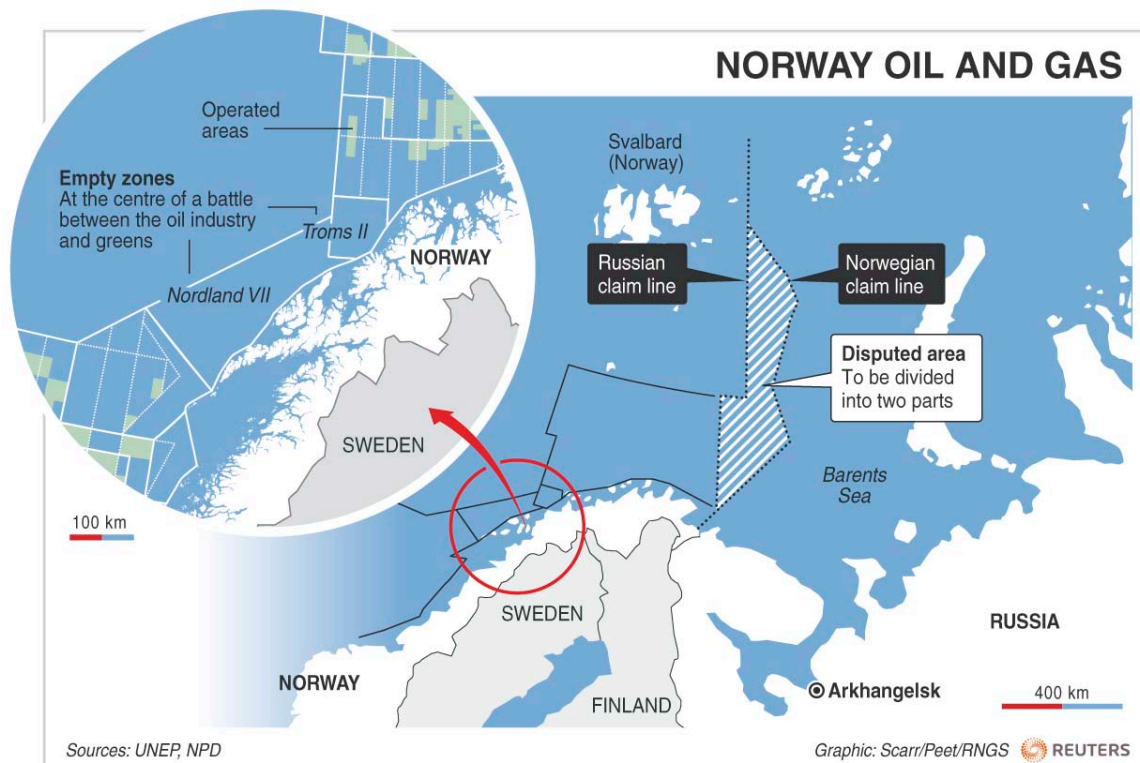


Figure 1. Barents Sea Disputed Area with Norwegian Resource Development Areas (From Reuters, 2011).

C. THE ARCTIC STAKES

What is at stake for Russia and Norway in the Barents Sea? According to the widely cited USGS Survey, the Arctic could hold up to 13% of the world's undiscovered

oil, 30% of the undiscovered natural gas, and 20% of undiscovered natural gas liquids.⁷⁸ The prospects of rich hydrocarbon resources are compelling motivators for both Norway and Russia given their resource export based economies. An ice-free Arctic would increase Russia's ability to exploit precious and base metals in the High North and Siberia as well. This region is "particularly rich in strategically important nonferrous and precious metals, hosting large high grade copper, zinc, diamonds, tin, gold, silver and nickel deposits."⁷⁹ As climate change creates ice-free Arctic summers the danger of multi-year ice, which is the most significant barrier to shipping, will disappear. Improved access and a nascent shipping industry will open the region to resource and economic development on a scale that has been previously impossible.

Fisheries also represent a strategic resource in the Arctic. "Cod in the Barents Sea and Pollock in the Russian Far East of the Arctic represent roughly 25% of the global catch of whitefish."⁸⁰ These resource prospects combined with the possibility of improved shipping economies indicate that the importance of the Arctic to both Norway and Russia is difficult to overestimate. Norway's economy is primarily driven by natural resources recovered from the sea floor, while, "as much as 20 percent of Russia's gross domestic product (GDP) and 22 percent of the total Russian export is generated north of the Arctic Circle."⁸¹ As current supplies dwindle, Russia will increasingly look to the Arctic for resource development.

The northern sea route could dramatically reduce shipping distances from Europe to Asia, and could reduce the distance between the United States and Asia by as much as 5,000 miles.⁸² These are clear economic incentives, but the increase in traffic through the Northern Sea Route would also present security challenges for Russia and Norway. "For the last few years, the Northern Sea Route along Russia's north coast has seen ice changes, providing Russia with greater access to its vast Siberian resources and leading to

⁷⁸ U.S. Geological Survey, *Circum-Arctic Resource Appraisal: Estimates of Undiscovered Oil and Gas North of the Arctic Circle* (Washington, DC: 2008), <http://pubs.usgs.gov/fs/2008/3049/>.

⁷⁹ Kefferputz, "On thin Ice? (Mis)interpreting Russian Policy in the High North," 5.

⁸⁰ Ibid., 5.

⁸¹ Zysk, "Russia's Arctic Strategy: Ambitions and Constraints," 104–105.

⁸² Ebinger and Zambetakis, "The Geopolitics of Arctic Melt," 1221.

bold assertions of its sovereignty over vast swathes of the polar sea.”⁸³ All of these issues raised the stakes significantly for both countries in the 21st century; climate change was merely the trigger.

D. ARCTIC STRUCTURE AND THE BALANCE OF POWER

The first task in this analysis is to understand the power structure of the Arctic region. This section will test the hypothesis that Russia is seeking to become an Arctic hegemon. As noted in Chapter I, Mearsheimer’s version of neorealism predicts that all great powers strive to gain power over rivals, with the ultimate goal of hegemony, in what he calls offensive realism.⁸⁴ However, Mearsheimer, accepts that global hegemony is “nearly impossible” for even the strongest states.⁸⁵ This is crucial for understanding Russia’s role in the Arctic region, while the United States is currently the strongest state in the system it cannot dominate the global system. Due to the U.S. role in the structure of the region it compels other Arctic states to increase their power in order to secure their position in the region.

As noted in Chapter I, Mearsheimer divides power into latent and military power.⁸⁶ The balance of power between Russia and Norway drastically favors Russia when calculated in both of these terms. Although they are treated separately they are interconnected. Russia’s military expenditures are directly correlated to the strength of their “latent” power base, which fuels the resource-based economy. First, as a military power the comparison is terribly lopsided in terms of sheer numbers. The Russian Federation boasts 645,000 combat forces currently. They are in the process of reforming and modernizing their military and by 2012 they will still have one million people in the military (including support units).⁸⁷ Norway’s military has already undergone significant modernization it has also reduced military manning levels drastically since the 1990s,

⁸³ Ibid., 1216.

⁸⁴ Mearsheimer, *The Tragedy of Great Power Politics*, 40.

⁸⁵ Ibid., 41.

⁸⁶ Ibid., 55.

⁸⁷ Janes’ “Sentinel Security Assessment: Russia and the CIS,” 07 April 2011.

with current strength at 11,500.⁸⁸ In the simple quantitative calculation of power favored by neorealists, the power structure is clear. Russia is a great power in the Arctic, and Norway is not.

Although realism places an emphasis on land armies as a measure of military power, the Arctic is a maritime environment that requires robust naval capabilities. From a naval perspective, the backbone of Russia's strategic nuclear arsenal is the Ballistic Missile Submarine (SSBN) assets assigned to the Northern Fleet. "Despite the dramatic decline in the Northern Fleet since the end of the Cold War, Moscow continues to regard Murmansk, the Barents Sea and adjacent Arctic waters as vital to the defense of Russia and the exercise of the nuclear deterrent."⁸⁹ What about the rest of the Northern Fleet? Michael Roi summarizes the Russian naval situation as follows:

While the possession of nuclear submarines imparts status to Russia— that is to say, they have a symbolic importance as indicators of great power standing—Moscow is determined to maintain the existing fleet of ballistic missile submarines (SSBNs), introduce new submarines and ballistic missiles, exercise them and deploy them in the Arctic Ocean because they perform the core defense mission of defending the homeland. Similarly, the Russians continue to retain their long-range strategic bombing fleets, consisting of the TU-160 Supersonic (Blackjack), an all-weather aircraft with an operational range of 12,000 km without refueling, the TU-95MS (Bear), a turboprop inter- continental bomber developed in the 1950s, and the TU-22M3 (Backfire C) with a shorter range compared to the other two aircraft.

While the SSBN's are part of Russia's great power legacy, they are not a component of traditional maritime power. Instead, the deterrence mission and cost of maintaining them draws resources away from traditional naval responsibilities. While there has been a wide variety of plans and speeches concerning Russian military reform in general and for the Navy in particular, execution of the planned reforms has been difficult. On April 20, Prime Minister Putin speaking to the Duma announced plans to

⁸⁸ Janes' "Sentinel Security Assessment: Western Europe," 04 Nov 2010.

⁸⁹ Michael L. Roi, "Russia: The Greatest Arctic Power?" *The Journal of Slavic Military Studies* 23, no. 4 (2010): 564.

spend 5 trillion rubles to “restore and expand” the Russian Navy.⁹⁰ However, analysis by Roger McDermott at The Jamestown Foundation casts strong doubt on the reality of achieving massive naval reforms in Russia: “The extent of naval manning problems, weaknesses in the entire reform and lack of conceptual clarity on precisely what the naval modernization should entail all suggests that Putin’s political statements concerning the Navy’s future must be regarded cautiously.”⁹¹ While Russia certainly aspires to modernize and reorganize its forces, it faces significant challenges. Despite all this, compared to the modest size of the Norwegian forces, the Russians still maintain a massive power advantage in traditional realist calculations

The imbalance between the two countries is not surprising and is one of the reasons Norway was compelled to be one of the founding members of the North Atlantic Treaty Organization alliance (NATO). In fact, the Norwegian Deputy Minister of Defence, Espen Eide, called for increased role for the alliance in the high north at a NATO parliamentary Assembly in 2009.⁹² Unfortunately, the new NATO strategic concept did not emphasize security in the High North and no further movement was made on the subject. Additionally, internal Alliance objections by Canada about NATO getting involved in the Arctic and external objections by Russia to an increased NATO role in the Arctic both dampened any possibility of the alliance placing a strategic priority on Arctic security.⁹³ With the Alliance placing low interest in the region’s security Norway was seemingly left to deal bilaterally with the Russian bear.

This leads to a clear conclusion that Russia is dominating the structure of the Arctic and that Norway emerges as a significantly weaker power in comparison.

⁹⁰ Roger McDermott, “Putin Promises to Restore Russian Naval Power,” *Eurasia Daily Monitor* 8, Issue 81 (2011), [http://www.jamestown.org/single/?no_cache=1&tx_ttnews\[tt_news\]=37848&tx_ttnews\[backPid\]=512](http://www.jamestown.org/single/?no_cache=1&tx_ttnews[tt_news]=37848&tx_ttnews[backPid]=512).

⁹¹ Ibid.

⁹² “NATO Parliamentary Assembly Discusses Alliance Role in High North,” *Defense Daily International* 11:9, May 29, 2009, <http://www.defensedaily.com/publications/ddi/6965.html>.

⁹³ O’Rourke, “Changes in the Arctic: Background and Issues for Congress,” 17.

However, for realism to appropriately describe the geopolitical situation this test must analyze not just the power structure of the Arctic, but the goals and priorities of the two states.

E. REALISM AND NATIONAL GOALS

As discussed in Chapter I, realism predicts that military security will dominate the hierarchy of state goals and that states seek to increase their power through material and latent economic resources. In this view, Russia and Norway should emphasize acquisition and military defense of key resources in the Arctic. Their national interests in the region should be to increase their material and latent economic power in order to pursue security in the self-help system of international relations, and, ultimately, to seek regional hegemony.

1. Norway

The Norwegian government issued its first “High North Strategy” in 2006 and then updated it in 2009. The objectives and policy priorities were to “exercise authority,” to be a good “steward” while developing the Arctic, which includes safeguarding the environment and indigenous populations, and finally to be a leader in international affairs of the region while strengthening cooperation with Russia.⁹⁴ Since Norway relies on oil and petroleum as a primary source of national income, Oslo’s interest in Arctic resource development is high.⁹⁵ Arctic gas and oil has been the cornerstone of the Norwegian economy with the petroleum sector accounting for half of its exports.⁹⁶ Additionally, Norway is the second largest exporter of natural gas while oil exports have fallen to ninth worldwide due to declining production.⁹⁷ Norway has also relied on oil profits from the

⁹⁴ Geopolitics of the Nigh North, “Arctic Strategy Documents,” http://www.geopoliticsnorth.org/index.php?option=com_content&view=article&id=84&Itemid=69&limitst=7.

⁹⁵ Osica, “The High North as a New Area of Cooperation and Rivalry,” 27.

⁹⁶ CIA World Factbook, “Europe: Norway: Economy,” <https://www.cia.gov/library/publications/the-world-factbook/geos/no.html>.

⁹⁷ CIA World Factbook, “Europe: Norway: Economy,” <https://www.cia.gov/library/publications/the-world-factbook/geos/no.html>.

North Sea to fuel economic development since the 1970's with its semi-nationalized Statoil Company. However, "the decline of both North and the Norwegian seas as oil-producing provinces is a problem. Having risen from nothing at all in 1970 to 528,000 barrels per day (bpd) in 1980, to 1.7 million bpd in 1990 and 3.3 million bpd in 2000, oil production peaked in 2001. By 2007, production had fallen to 2.6 million bpd."⁹⁸ This alone could explain why Norway sought to settle disputes in the Barents Sea with Russia, as it must look further north to secure its economic future as a hydrocarbon resource exporter.

Analyzing the power structure of the region reveals that Norway is significantly less powerful than Russia, however the Norwegian national goals outline engagement and cooperation rather than security competition. One confounding factor not addressed here is the role of NATO, which provides a large U.S. security umbrella to Norway. While U.S. power is a significant factor, ultimately realism requires states to seek maximum self-sustainment in security. In this case the national goals of Norway do not reflect that.

2. Russia

Russian approaches to the Arctic were described in Chapter 1 as a strategic resource base and a securitized region that has been given a recent lift in policy importance. Realism accurately predicts the Russian national goals for the Arctic in that it places the highest priority on security in the region and that it seeks to maximize its sovereignty in the region because of the natural resources and economic benefits of increased shipping. However, it does a poor job in predicting Norway's national goals of engagement and cooperation with Russia. However, what states profess in their official strategies and what they actually do are not always the same. It is state behavior that really demonstrates the geopolitical relationships.

⁹⁸ Charles Emmerson, *The Future History of the Arctic* (New York, NY: Public Affairs, 2010), 249.

F. REALISM AND STATE BEHAVIOR

Is there evidence of security competition between Norway and Russia? Has either state acted aggressively to gain a stronger position prior to the negotiation of the Barents Treaty? All of these questions attempt to characterize the behavior of each state in a way that correlates with neorealism.

In 2007, after a 15-year suspension, Russia resumed its long-range bomber patrols over the North Pole. Putin remarked that “flights by other countries’ strategic aircraft continue and this creates certain problems for ensuring the security of the Russian Federation.”⁹⁹ This classic case of security competition followed a familiar path when two of the Russian Tupolev 95 aircraft “strayed south from their normal patrol pattern off the Norwegian coast and headed towards Scotland. Two RAG Tornado fighters were sent up to meet them.”¹⁰⁰ In predictable fashion the Norwegians began a major refocus of their military structure toward the Arctic by placing two F-16 fighters on permanent fifteen-minute standby at Bodo airbase as well as moving its national command center to Reitan in the Arctic.¹⁰¹ Additionally, Norway expanded its naval capabilities with the purchase of five new frigate sized surface combatants.¹⁰² Meanwhile Russia has dramatically increased military spending in the 21st century, quadrupling between 2001 and 2007, and then reaching a post-soviet high in 2009 of 15%–16% of the total federal budget expenditure.¹⁰³

This summary points to a clear security competition situation and documents some degree of aggressive behavior on Russia’s part in the time period directly preceding the Treaty agreement. When combined with the stated national interests in the Arctic this behavior makes a strong case for neorealism’s ability to accurately portray the

⁹⁹ BBC News, “Russia restarts Cold War patrols,” August 17, 2007, <http://news.bbc.co.uk/go/pr/fr/-/2/hi/europe/6950986.stm>.

¹⁰⁰ Ibid.

¹⁰¹ Emmerson, *The Future History of the Arctic*, 103.

¹⁰² Ibid, 103.

¹⁰³ Global Security.org, “Russian Military Budget,” <http://www.globalsecurity.org/military/world/russia/mo-budget.htm>.

geopolitical interplay between Norway and Russia in the Arctic. However, in terms of cooperation on the Barents Treaty neorealism is still problematic. Although neorealism accurately predicts security competition based on the power structure and resources at stake in the Arctic, it would also predict that any dispute would be solved by military power or at the least settled in favor of the greater power. It rarely allows for a cooperative settlement between a great power and a minor power, unless the great power's relative gains exceed those of the smaller power or that smaller power makes large concessions to appease the greater power.

G. NEOLIBERAL INSTITUTIONALISM

This chapter has demonstrated that neorealism can account for much of the behavior between Russia and Norway concerning the Arctic sovereignty dispute over the Barents Sea border. However, both states constrained their use of power and worked within the framework of international law to agree on a treaty to resolve the dispute rather than resorting to force. This section of the thesis will analyze the Barents Treaty negotiation in terms of Robert Keohane's neoliberal institutionalism framework in order to understand how the cooperation emerged and prove that it is the more accurate international relations theory for this case study.

In this case study international regimes should shape how Norway and Russia presented their arguments and ultimately assist in resolving their dispute.

H. ARCTIC INTERNATIONAL REGIMES

1. The Law of the Sea

Since the Arctic region in general, and the Barents Sea in particular, are maritime domains the primary international regime that states utilize is the United Nations Convention on the Law of the Sea. This treaty codified and consolidated a large amount of customary law into an organized framework that promotes general cooperation and provides explicit rules for resource claims and rights in territorial waters and exclusive economic zones. Further bolstering the primacy of the UNCLOS in the Arctic, all five of

the Arctic littoral states affirmed their commitment to the Law of the Sea and the orderly settlement of sovereignty and claims disputes with the signing of the Ilulissat Declaration.¹⁰⁴ Thus, international ocean law under the 1982 treaty sets the rules for how oceans and the natural resources within them are managed.

The UN Convention on the Law of the Sea makes provisions for various types of sovereignty claims in the maritime domain. “The exclusive economic zone or EEZ is covered by Articles 56, 58 and 59. The EEZ is defined as that portion of the seas and oceans extending up to 200 nautical miles in which coastal states have the right to explore and exploit natural resources as well as to exercise jurisdiction over marine science research and environmental protection.”¹⁰⁵ When states’ 200 nautical mile claims overlap and a dispute arises, according to article 59, the conflict “should be resolved on the basis of equity and in the light of all the relevant circumstances.”¹⁰⁶

In the Barents Sea, the boundary between Russia’s territory Franz Josef’s land and Norway’s territory of Svalbard do not allow either state the full 200nm exclusive economic zones afforded by the Law of the Sea. Additionally, the land border between Norway and Russia projected seaward becomes problematic in the Barents Sea as it approaches the delimitation barrier between the Russian and Norwegian island territories mentioned above. According to the 1982 Convention, “coastal states can agree on how their maritime delimitation disputes should be resolved.”¹⁰⁷ The fact that they chose to work within the 1982 convention bolsters the neoliberal institutionalism view that international regimes are used to bargain and ultimately create cooperative patterns of international relations even when states pursue self-interest and have competing claims. This is a crucial example of what Keohane describes in his theory.

¹⁰⁴ The Arctic Council, The Ilulissat Declaration, May 29, 2008.
www.oceanlaw.org/downloads/arctic/Ilulissat_Declaration.pdf.

¹⁰⁵ The Encyclopedia of Earth, “Exclusive Economic Zone (EEZ),”
http://www.eoearth.org/article/Exclusive_economic_zone_%28EEZ%29.

¹⁰⁶ United Nations, “United Nations Convention on the Law of the Sea,”
http://www.un.org/Depts/los/convention_agreements/texts/unclos/part5.htm.

¹⁰⁷ Tore Henriksen and Geir Ulfstein, “Maritime Delimitation in the Arctic: The Barents Sea Treaty,” *Ocean Development & International Law* 82 (2011): 4.

2. The Arctic Council as an International Institution

As the primary international institution for Arctic cooperation, according to neoliberal institutional theory, The Arctic Council should have played a primary role in resolving the Barents Sea dispute. Theory predicts that these institutions provide information and allow states to negotiate mutually beneficial agreements. In this case the Arctic Council was not utilized to resolve the long-standing dispute in part because it did not exist until 1996. The negotiations were conducted bilaterally over a long period, but observers trace the current progress to the election of Jens Stoltenberg as Prime Minister of Norway in 2005.¹⁰⁸ However, this does not mean the Arctic Council did not play a role in the Barents Sea Treaty case. One of the crucial problems of international cooperation is the issue of enforcement. States can never be certain that other states will abide by international agreements. The incentive to cheat is large. The Arctic Council introduces a reciprocity to Arctic issues that dissuades cheating by ensuring a continual open dialogue between all Arctic stakeholders. If a state chooses to cheat on one policy agreement, it would be known to all the other states via the Arctic Council and that state would have difficulty negotiating future agreements.

The key indicator for neoliberal institutionalism in this case study is the evolving way that states argued their case with respect to the many changes in the international law of the sea. This would fit the definition of international regimes that includes explicit sets of rules that guide actors in a given area of international relations. Henriksen and Ulfstein demonstrate this in their overview of the Barents Sea dispute:

The history of the delimitation dispute in the Barents Sea dates back at least to the 1957 Varangerfjord Agreement, which established the boundary between the territorial seas of mainland Norway and the Soviet Union. Since then, the maritime boundary issue has followed the developments of the law of the sea. Following the adoption of the 1958 UN Convention on the Continental Shelf, in 1963 Norway claimed sovereign rights to the seabed and the subsoil adjacent to its coasts.⁹ The Soviet Union made a similar claim in 1967. Large parts of the seabed of the Barents Sea were seen as being continental shelf pursuant to the 1958

¹⁰⁸ Thomas Nilsen, "Pravda Hails Ratification of Border Treaty," The Barents Observer, March 28, 2011, <http://www.barentsobserver.com/pravda-hails-ratification-of-border-treaty.4902905-16149.html>.

Convention and, thus, a need for bilateral delimitation between Norway and Soviet Union existed. Formal negotiations started in Moscow in 1974, following informal meetings held in 1970.¹¹ In 1977, the negotiations became more extensive when both Norway and the Soviet Union established 200 mile EEZs in the area. In addition to the continental shelf boundary, now the two coastal states had to deal with overlapping EEZ claims. The point of departure for the negotiations on the delimitation of the continental shelf was Article 6 of the 1958 Continental Shelf Convention to which both states were parties, which stipulated that the boundary is the median line unless another boundary is justified by “special circumstances.” Both states later became parties to the 1982 UN Convention on the Law of the Sea making its Articles 74 and 83 the applicable law. Both parties argued that these new provisions upheld their reading of Article 6 of the Continental Shelf Convention. The two parties agreed that the negotiating objective was to establish a single boundary for the EEZ and the continental shelf in areas within 200 miles from their relevant coastlines.¹⁰⁹

This historical overview of the dispute clearly demonstrates the effect that international law of the sea had on the two states’ cases. Independent of changing power structures throughout the time period of the dispute, from the Soviet era to the Russian Federation, both states were at a stalemate on resolving the dispute. However, both countries continually evolved their cases as international legal regimes for the law of the sea evolved. The analysis of the role of international regimes reveals that the 1982 UN Law of the Sea framework played a significant role in the resolution of the Barents Sea dispute.

I. CONCLUSION

The Barents Sea Treaty between Russia and Norway has been hailed as a model for international cooperation in the Arctic region. However, it is important to look past the end product of the treaty and understand how the cooperation emerged and what the key drivers were.

From a realist perspective there is clear evidence of security as the primary national interest for the Russian government, and to a lesser extent Norway. The power

¹⁰⁹ Henriksen and Ulfstein, “Maritime Delimitation in the Arctic: The Barents Sea Treaty,” 2.

structure indicates that Norway should seek to bolster its security in relation to its more powerful neighbor. Russia has explicitly stated that the Arctic and its resources are critical to its national interest and that they cannot rule out the use of force.

From the neoliberal institutionalism perspective there is much stronger agreement between what theory predicts and what occurred between Norway and Russia. Although self-interest and pursuit of security interests were present, these do not rule out a neoliberal explanation emphasizing interest in states' pursuit of joint gains. Norway characterized its security needs in terms of engagement and cooperation with its large neighbor to allay any threats. Additionally, its policy of engagement with Russia indicates that the Norwegian leadership believed that the Russian government would be open to bargaining in the region as they grew their resource economy in the early 21st century. The key victory for neoliberal theory over neorealism hinges on the outcome of the agreement. Neorealism is focused on relative gains at the expense of absolute gains. As the greater power, Russia should not have agreed to any resolution that did not provide higher relative gains in relation to Norway (Refer to Figure 1 which depicts the agreed-upon boundary, which shows a fairly equal division of the disputed sea area). "Based on the map, it is difficult to evaluate to what extent the line is an adjusted line based on the median line and the treaty provides little information on what principles were used to obtain the line. The April 2010 joint statement is more informative as the disputed area (between the median line and the sector line) is said to be divided in two parts of approximate the same size. The Russian Foreign Ministry stated this more explicitly: "about 88000 square kilometers for either parties."¹¹⁰ In short, there was a highly equitable division of the disputed area. This confirms that power had little to do with the agreement and that both parties were focused on absolute gains over relative gains.

¹¹⁰ Henriksen and Ulfstein, "Maritime Delimitation in the Arctic: The Barents Sea Treaty," 6.

In this case study, the wide consensus in media and government rhetoric concerning the historic cooperation exemplified between Russia and Norway on the Barents Sea Treaty was accurate. Keohane's cooperative theory of international relations more accurately explains this critical case. The only hope for neorealist vindication is in the detection of rule breaking by states after the creation of these cooperative frameworks, which would support their eternal pessimism about international regimes. Until then, they must accept the reality of interstate cooperation through international regimes.

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IV. THE NORTH AMERICAN ARCTIC RELATIONSHIP

A. INTRODUCTION

In this chapter, the broad focus is on patterns of international relations between Canada and the United States with the Northwest Passage dispute as a vehicle to explore the relationship between the two countries. Instead of simply assessing the balance of cooperative and conflict-oriented behavior, I will apply neorealism and neoliberalism to the region and test how well they can describe the current relationship between the two North American countries. Testing these theories across the dynamic backdrop of a changing Arctic geopolitical landscape may not offer any stronger predictive power than other attempts to characterize the region, but it should prove to be a worthwhile empirical test of the theories and their applicability in a changing region that has an uncertain future.

B. HYPOTHESIS

Although Canada and the United States have a long-standing alliance that can be described accurately by structural neorealism, ultimately it cannot properly predict the *complete* state of Arctic geopolitics between Canada and the United States. Instead, some of the fundamental assumptions of neorealism that can be identified in this Arctic case-study are also valid in Keohane and Nye's complex interdependence framework; their neoliberal approach ultimately provides better descriptive power for the relationship between the two North American allies.

The case study on the Northwest Passage dispute is important because it represents a significant unresolved dispute between two long-standing allies over a key issue that is common in Arctic geopolitics between several states. If realist predictions are found to accurately describe this case, then there is cause for concern over the case of the Northern Sea Route, which involves Russia asserting an internal waters claim that is very similar to Canada's Northwest Passage claims.

C. BACKGROUND

1. The Northwest Passage

To understand what an ice-free Northwest Passage would mean to the relationship between the United States and Canada, we must define the passage, and then briefly examine the history of the passage and the dispute over its legal definition. Explorers have carried out the search for an ice-free passage through the Arctic, from the Atlantic to the Pacific Oceans, for at least five centuries. The modern Northwest Passage is a combination of routes with the widest and deepest route running, “from Lancaster Sound through Barrow Straight into Viscount Melville Sound.”¹¹¹ Once this region begins to experience ice-free summers, the lack of multi-year ice will allow it to be transited year round with ice-strengthened ships in convoys led by icebreakers.¹¹² This eventuality will bring the dormant dispute between Canada and nearly every other state on the legal characterization of the route to the forefront.

Canada has been confronted with the task of administering vast expanses of the high north since Britain ceded all of its remaining lands in North America in 1867. During World War II continental defense concerns elevated the Arctic region to an area of strategic concern and the Americans were willingly invited into the region to “fill a void created by inadequate Canadian resources to defend the North.”¹¹³ This generated a pattern of interstate relations between the countries where pragmatic American actions and policies sometimes trod upon Canadian sovereignty sensitivities. From that initial cooperation on development of territorial defense, through the Cold War years, and on to the modern attempts to accommodate not just security interests, but also economic development, shipping, and environmental interests, the relationship between the neighbors has been one of extensive cooperation and occasional disputes.

¹¹¹ Michael Byers, *Who Owns the Arctic?* (Vancouver, Canada: Douglas & McIntyre, 2009), 38.

¹¹² *Ibid.*, 40.

¹¹³ Elizabeth B. Elliot-Meisel, “Arctic Diplomacy,” *American University Studies*, Series IX Vol. 188 (New York: Peter Lang, 1998), 35.

The United States, along with the European Union and other states, assert that the Northwest Passage constitutes an international straight between two high seas. This characterization would grant transit passage through the route to any ship without requiring permission as well as permit submarines to pass through without surfacing. Canada claims that the passage is an inland waterway and that it is sovereign territory under its control and jurisdiction.¹¹⁴ Despite Canadian claims, the United States has asserted its freedom of navigation stance several times in the post-war period by sending ships through the passage.

The Exxon supertanker *Manhattan*, escorted by Coast Guard icebreaker *Northwind*, attempted a transit in 1969. In response to this challenge Canada enacted the Arctic Waters Pollution Act in 1970, “which imposed strict safety and environmental requirements on all shipping within 100 nautical miles of Canada’s Arctic coast.”¹¹⁵ This law essentially required Canadian certification of oil spill prevention standards and amounted to a de facto attempt to require permission for passage.

The United States raised the issue again in 1985 when the Coast Guard icebreaker *Polar Sea* transited the passage enroute from Greenland to its homeport in Seattle. The U.S. government explicitly stated that it would be exercising freedom of navigation rights and that permission was neither sought nor necessary.¹¹⁶ The Canadians responded pragmatically by offering their permission and practical assistance, but disagreeing on the legal interpretation claimed by the Americans. As with most issues of Ocean Law, customary use often carries substantial weight in deciding legality. By continuing to pursue the usage of the Northwest Passage the United States was maintaining an important precedent.

Ultimately, the incident brought another evolution in the dispute that attempted to resolve the issue, at least pragmatically if not legally. In January 1988 President Reagan and Prime Minister Mulroney signed the Executive Agreement on Arctic Cooperation.

¹¹⁴ O’Rourke, “Changes in the Arctic: Background and Issues for Congress,” 11.

¹¹⁵ Byers, *Who Owns the Arctic?* 46.

¹¹⁶ *Ibid.*, 51.

The agreement promised that U.S. Coast Guard icebreakers would apply for Canadian permission to transit the Northwest Passage.¹¹⁷ The United States did not concede that the passage constituted Canada's internal waters, but the dispute went dormant again and remains unresolved. In 2009 President Bush signed NSPD-66 The Arctic Policy Directive. In it the Northwest Passage is addressed explicitly in this section:

Freedom of the seas is a top national priority. The Northwest Passage is a strait used for international navigation, and the Northern Sea Route includes straits used for international navigation; the regime of transit passage applies to passage through those straits. Preserving the rights and duties relating to navigation and overflight in the Arctic region supports our ability to exercise these rights throughout the world, including through strategic straits.¹¹⁸

The relationship between Canada and the United States has evolved substantially over the years, yet this dispute remains unresolved. As the Arctic environment changes and both countries look Northward to expand their presence in the region, will the Northwest Passage dispute be resolved?

D. NEOREALISM

This portion of the thesis will analyze the relationship between Canada and the United States through the lens of structural realism. Mearsheimer provides the primary theoretical backbone of this analysis with his clear structural realist assumptions, while Walt supplements these elements with his focus on alliances. The analysis is constructed as follows: First, it will examine the power structure in the Arctic region and discuss Russia's influence on North American Arctic relations. Second, it will attempt to illuminate the goals of the two Arctic allies and their respective hierarchies of national interest in the region. Third, it will trace state military activity in order to determine if securitization of the Arctic is occurring. Finally, it will test Stephen M. Walt's theory on alliance formation and test conditions for evidence of balancing behavior between the North American Arctic states and Russia.

¹¹⁷ Elliot-Meisel, *Arctic Diplomacy*, 153–154.

¹¹⁸ O'Rourke, "Changes in the Arctic: Background and Issues for Congress," Appendix C.

1. Structure

Since both neorealist theories in this test are structural theories, the first step is to establish the structure of the Arctic. Canada, Denmark (via Greenland), Norway, The United States, and Russia are the five littoral Arctic states. This section will test the hypothesis that the United States and Russia are the dominant powers in the Arctic region and that Canada was compelled to ally with the United States. Mearsheimer's version of neorealism predicts that all great powers strive to gain power over rivals, therefore we should expect both states to seek greater sources of power in the Arctic.¹¹⁹

While both countries are nuclear capable, the United States has double the population, double the available military manpower, three times the number of active naval units, and a larger overall active military force.¹²⁰ Beyond sheer numbers, the Russian military is only now beginning to modernize its long decaying forces. Structurally these two great powers dwarf Canada in terms of population and military size, with Canada only registering a tenth of the U.S. population size, and a paltry 62,000 active duty military personnel compared to the United States at 1.4 million. In latent power terms, the power structure is identical with the United States emerging as the greatest power and Russia still much stronger than the remaining states. Canada is strong economically relative to its population.

In an opening Arctic several latent power considerations come into play. Canada and other Arctic nations have to consider the impacts on sovereignty disputes (and their subsequent impact on EEZs), natural resource development, shipping, and fisheries. According to neorealism, an ice-free Arctic can bring states into competition for these sources of power. The opening round of Arctic competition came with Russia's flag planting on the seabed of the North Pole; this was done largely to bring attention to "Russia's claim to a vast extension of its continental shelf extending from Russia's

¹¹⁹ Mearsheimer, *The Tragedy of Great Power Politics*, 10.

¹²⁰ CIA World Factbook, "Canada: Military," <https://www.cia.gov/library/publications/the-world-factbook/geos/ca.html>.

northern shores to the North Pole along the Lomonosov Ridge.”¹²¹ Under the Law of the Sea Convention, states can extend their 200-mile exclusive economic zones if they can prove that their continental shelves extend beyond the standard limits. These claims are the prelude to establishing legitimate control over the Arctic’s resources.

How does this lead to competition? This summer the Russian ship Akademik Fyodorov, escorted by a Russian nuclear icebreaker, conducted undersea mapping to bolster its claims to Siberian continental shelf extensions.¹²² Each Arctic state is anxious to extend their claims in the region, but all five have formally agreed to resolve disputes peacefully through the Ilulissat Declaration. Russia is expected to submit its claim to 380,000 square miles of the Arctic this year.¹²³

These claims are important because they determine economic rights to Arctic resources. Hydrocarbons are a prime motivator with the estimates mentioned in previous Chapters as well as the rising demand for hydrocarbons by India and China.¹²⁴

Fish stocks are also a source of competition between states worldwide, even those with a long history of cooperation such as France and Spain struggle with the fundamental common action problem that they present. For the Arctic, Canada and the United States have sought comprehensive development approaches that consider impacts to the ecosystem as a whole. This approach creates a significant common action problem if Russia does not pursue a responsible fisheries approach in the Arctic. Competition from commercial fishing is fierce in all the world’s oceans and a freshly thawed Arctic offers significant new opportunities. Canada and the United States already cooperate in several regional fisheries management organizations, including the Northwest Atlantic Fisheries Organization, and the bilateral international Pacific Halibut Commission

¹²¹ Barry S. Zellen, “As Climate Change Thins Polar Ice, a New Race for Arctic Resources Begins,” *Strategic Insights*, Volume VII, Issue 1 (Monterey: Center for Contemporary Conflict, 2008), 2.

¹²² Fred Weir, “Russia’s Arctic ‘sea grab,’” *The Christian Science Monitor*, August 14, 2011, <http://www.csmonitor.com/World/Global-Issues/2011/0814/Russia-s-Arctic-sea-grab>.

¹²³ Ibid.

¹²⁴ Zellen, “As Climate Change Thins Polar Ice, a New Race for Arctic Resources Begins,” 3.

(IPHC).¹²⁵ Given the transboundary nature of Arctic fish stocks, without international cooperation on regulation, disputes between the Arctic states over valuable fish stocks are predicted by neorealist theory.

Canada's Department of Fisheries and Oceans (DFO) reported the value of commercial sea fisheries at \$1.64 billion dollars for 2009.¹²⁶ In 2010, the DFO reported total fish and seafood exports valued at \$3.9 billion in 2010, with a five-year average of \$2.2 billion.¹²⁷ In comparison, the U.S. commercial fisheries trade and production value was slightly higher at \$4.5 billion USD in 2008, and the Russian Federation value lower at \$2.6 billion USD.¹²⁸ However, in terms of quantity, the Russians production quantity dwarfed the Canadians at over 5 million tons, compared to Canada's 1 million tons, while the U.S. totaled 3.7 million tons. This means that Russia's production value lags behind Canada's, while the size of the Russian catch is five times as large. Based on this data and the geographic realities of Arctic fishery competition between Russia and Canada, an opening Arctic should bring the two states into competition over fish stocks.

Just as the Panama Canal radically changed the shipping world, the opening of circumpolar Arctic sea routes will completely alter the seaborne shipping industry. For Canada this will place intense international pressure on its claims over the Northwest Passage. The rest of the world may present a unified challenge to Canada's designation of the Northwest Passage as internal waters.

Location also plays a crucial role in examining the structure of a region. In this case Canada can be seen as an obvious territorial ally for the United States, but it can also be seen as a security buffer between two nuclear capable great powers. Although realism

¹²⁵ Erik J Molenaar and Robert Corell, "Arctic Fisheries Policy Brief," *Arctic Transform*, <http://www.arctic-transform.org/>.

¹²⁶ Fisheries and Oceans Canada, "Canada's Fisheries, Fast Facts 2010," Ottawa, 2011, www.dfo-mpo.gc.ca/stats/FastFacts_10-eng.pdf.

¹²⁷ Fisheries and Oceans Canada, "Canadian Fishing Industry Overview," Ottawa, March 2011, <http://www.apcfn.ca/en/fisheries/resources/Aboriginal%20Fisheries%20in%20Canada%20-%20Overview%20-Canadian%20Market%20Trends%20-%20David%20Millette.pdf>.

¹²⁸ Fisheries and Aquaculture Department of the United Nations, "Fishery Commodities Global Production and Trade," FAO, 2011, <http://www.fao.org/fishery/statistics/global-commodities-production/en>.

places an emphasis on land armies, the Arctic is a maritime environment. Russia's northern fleet is home to its nuclear ballistic missile submarines and by extension its strategic nuclear capability. This is where Walt's balance of threat approach sheds needed light on the power structure. Walt defines threat as a product of aggregate power, geographic proximity, offensive capabilities, and the aggressiveness of its intentions.¹²⁹ The key element is the perception of threat characterized by Walt as aggressive intentions. This element is crucial because threat perception is a powerful determinant in predicting the formation of Alliances among states. The threat in this structure comes from Russia. "Despite the dramatic decline in the Northern Fleet since the end of the Cold War, Moscow continues to regard Murmansk, the Barents Sea and adjacent Arctic waters as vital to the defense of Russia and the exercise of the nuclear deterrent."¹³⁰

Meanwhile the United States maintains a robust SSBN component in its strategic triad of nuclear deterrence, while Canada has relied on the United States for its nuclear defense umbrella. It is clear from a basic military power and threat perspective that in the Arctic power structure Canada was a prime candidate for alliance formation. According to Walt, Russia's geographic domination of the Arctic and approaches to the use of force in other recent disputes like Georgia continue to reinforce longstanding threat perceptions across the Atlantic. These drivers are precisely what led Canada to join the formal North Atlantic Treaty Organization alliance in 1949, and they also serve as a barrier to a bandwagon alliance with Russia. The influence of Russia continues to be a dominant factor in the North American arctic relationship, one which will be discussed further in the alliance portion of this Chapter.

2. National Strategy and Goals

Neorealism is clear on national interests and the hierarchy of national goals; military security has primacy. In an anarchical world states are responsible for their own security and defense and seek to increase their security by amassing power through material and economic resources. In the case of the Arctic, if realism is accurate we

¹²⁹ Walt, *The Origins of Alliances*, 265.

¹³⁰ Roi, "Russia: The Greatest Arctic Power?" 564.

should expect military security to maintain primacy in the national strategies over time and that their interests in the Arctic, beyond security, are focused on resources to increase national power. For this portion we will simply compare the Arctic strategies of Canada and the United States, saving analysis of state behavior for the next section.

The United States released its most recent national strategy approach to the Arctic in January 2009. The Arctic Region Policy, or National Security Presidential Directive 66, outlined the national interest and priorities for the Arctic. The first goal of the policy was defense of the homeland, with the prevention and mitigation of hostile attacks noted along with the now familiar focus on the threat of terrorism.¹³¹ Although other policy objectives are outlined, the primacy of national security interests in the Arctic policy as highlighted in NSPD 66 is unequivocal.

Canada's official northern strategy was released in July 2009 and in some respects can be viewed as a response to the U.S. policy document. The Canadian's Arctic strategy crafts a narrative in which they are a northern nation and that the region's future lay within "a strong and sovereign Canada."¹³² In fact, strengthening sovereignty claims in the Arctic is a top priority of the Canadian strategy, which involves "firmly asserting its presence in the North, ensuring we have the capability and capacity to protect and patrol the land, sea, and sky in our sovereign Arctic territory."¹³³ Since 2007 Ottawa has announced significant procurement plans that support Canada's assertion of sovereign control of over its Arctic territory. The size of its forces are modest in comparison to the United States, but its narrow focus and recently renewed commitment to the region indicate that it intends to exercise full joint force capability in the Arctic. The official government approaches outlined in both cases coincides with realist predictions about national priorities, but do the states actions reflect the official words?

¹³¹ Bush, NSPD 66/HSPD 25," 2.

¹³² Government of Canada, "Canada's Northern Strategy," July 26, 2009, <http://www.northernstrategy.ca/cns/cns.pdf>.

¹³³ Ibid., 9.

3. State Behavior

If the story of the *Polar Sea* transit serves as a symbol of American insouciance over Canadian sovereignty claims, then it also serves as a symbol of American ambivalence toward Arctic security competition. As one of three U.S. icebreakers, and the only operational heavy icebreaker, it is already beyond service life expectations and recently suffered a major engine failure last year, which left the United States with zero heavy icebreaking capabilities.¹³⁴ The policy set forth by NSPD 66 is only now starting to drive the dialogue around Arctic icebreaking capability development. As it stands the United States lags behind nearly every other Arctic country in developing maritime assets and operational capability for the region, at least in the surface maritime domain.

Under the ice the United States has long maintained an Arctic capability. In 1958 the *USS Nautilus* crossed the Arctic Ocean and began a Cold War pattern of operations that continues today with the recent polar surfacing of the Virginia class attack submarine *Texas*.¹³⁵ This capability was crucial during the Cold War years as the North American Arctic represented an exposed flank for Soviet nuclear attack. However, with the end of the Cold War these military aspects were less important. If the assumptions of rapid climate change and national interest in the Arctic hold, then one would expect that as the ice gives way to an ocean, so shall the submarine operations be replaced by surface and air assets to conduct regular maritime operations. So far this has not occurred on the U.S. side, although the U.S. Navy Arctic Roadmap suggests that they are pursuing the goal of increased maritime capability in the region.¹³⁶

Canada's overall military forces are dwarfed by the size of the U.S. military, but in the Arctic they have a head start on operational capabilities in the maritime environment. Six operational icebreakers are in service at present.¹³⁷ They have

¹³⁴ O'Rourke, "Changes in the Arctic: Background and Issues for Congress," 31.

¹³⁵ The Barents Observer, "Task Force Climate Change," Nov 26, 2009.
<http://www.barentsobserver.com/task-force-climate-change.4657329-58932.html>.

¹³⁶ *Navy Arctic Roadmap*.

¹³⁷ Kyle D. Christensen, "Arctic Maritime Security and Defence: Canadian Northern Security Opportunities and Challenges," Technical Report, Canada Directorate of Maritime Strategy, February 2005, 40–41.

maintained a modest capability over the years, in part because monitoring and controlling the Canadian Arctic Archipelago is crucial to its sovereign claims. Canada is continuing to develop operational capability in the Arctic in multiple ways: through the launching of reconnaissance satellites, building of infrastructure, procurement of more icebreakers, and the procurement and development of unmanned aerial vehicles (UAVs).¹³⁸ Yet despite these actions, neither country has sought to defend against the other or engage in security competition. In fact, due to their long-term alliances, the possibility of military conflict between the two states is remote.

Since World War II, Canada has relied on two military alliances with the United States for conventional territorial defense. NATO and NORAD have provided extensive military cooperation and mutual defense guarantees to both states. According to Waltz, “structural theory assumes the dominant goal of states is security, since to pursue whatever other goals they may have, they must first survive.”¹³⁹ Since the possibility of military conflict is highly unlikely, it is crucial to apply neorealist frameworks for alliances to the relationship.

4. Alliances

Canada’s aggregate power, as explored so far, is unquestionably inferior to modern Russia. Given the structural imbalance in the Arctic and the geographic proximity of the United States, Canada has a clear motive for seeking an alliance. In Walt’s terms, the North American Arctic relationship can be viewed as a balancing alliance against Russia. The United States Canada alliance was clearly meant to balance against the Soviet Union, but other members of NATO also joined the United States in this endeavor. In order for this conclusion to hold true, Russia must not only pose a threat due to its aggregate power, but also because of its threatening intentions.

¹³⁸ Dave Abboud, “Safeguarding Canadian Arctic Sovereignty Against Conventional Threats,” (master’s thesis, U.S. Army Command and General Staff College December 2009), 40–42.

¹³⁹ Kenneth N. Waltz, “Evaluating Theories,” *American Political Science Review* 91, no. 4 (1997): 915.

Chapter II already discussed the importance of the Arctic to Russia as a strategic resource base, therefore this section will focus on recent Russian actions in the Arctic that support a threat perception.

Beyond Russian strategy and rhetoric lies some concerning behavior for Alliance members looking north to an opening Arctic. First, the resumption of long range TU-95 Russian strategic nuclear bomber patrols has raised concern over the past year, particularly when these bombers penetrated European airspace four times with out permission so far in 2011.¹⁴⁰ So far, this is the limited scope of threatening military behavior in the Arctic. However, Officials at the Russian Ministry of Defense have announced plans to establish a special forces (Spetsnaz) unit in the Arctic as well as reorganizing military districts to create an Arctic district.¹⁴¹ In addition to strictly military actions, Russia has planned to develop infrastructure in the Arctic to support increased commercial activities. Current plans call for nine emergency response centers along the northern sea route as well as an increase in permanent weather observation stations and automated reporting stations in the Arctic.¹⁴² This analysis supports Canada's threat perception in the post-Cold War Arctic and its motives to continue an alliance with the United States.

E. NEOLIBERAL INSTITUTIONALISM AND COMPLEX INTERDEPENDENCE

This portion of the thesis will test the relationship between Canada and the United States against these assumptions in order to see if the theory of complex interdependence is more accurate than traditional structural realism.

¹⁴⁰ Jorge Benitez, "What are Russian Strategic Nuclear Bombers Doing Infiltrating NATO Airspace," NATO Source, August 25, 2011, <http://www.acus.org/natosource/what-are-russian-strategic-nuclear-bombers-doing-infiltrating-nato-airspace>.

¹⁴¹ Marlene Laruelle, "Russian Military Presence in the High North: Projection of Power and Capacities of Action," in *Russia in the Arctic*, ed. Stephen J. Blank (July 2011), 67.

¹⁴² Andrei Smirnov, "Russia plans new facilities in the Arctic," *The Voice of Russia*, Aug 15, 2011, <http://english.ruvr.ru/2011/08/15/54685648.html>.

1. Interdependence

Before proceeding to an exploration of the three basic assumptions of complex interdependence, it is crucial to define interdependence and approximate the North American relationship according to that definition. As noted in Chapter one, the basic definition of interdependence is mutual dependence that is costly to break, however it is important to understand the concept of costly effects when analyzing interdependence. For example, Canada is the single largest supplier of oil to the United States at 20% of total imports.¹⁴³ Canada could protest U.S. policy by cutting off the supply of oil, which would have a significant impact on the U.S. economy in both the short term and long term. However, this would have costly effects on Canada because the United States is such a large consumer of Canadian oil. Not only would it have immediate market effects, any long-term denial would necessitate significant reorganization of the oil export infrastructure. “Where there are reciprocal (although not necessarily symmetrical) costly effects of transactions, there is interdependence.”¹⁴⁴ Indeed, Canada-U.S. bilateral relations are among the most closely connected in terms of mutual dependence in the world. The relationship is so unique that it largely defies realist theories about state cooperation. Karl Deutsch called this relationship a “security community,” and theorized that through long integration leads to a sense of community, which produces a stable peace.¹⁴⁵

A simple examination of the staggering trade flow between the two states reveals the extent of the relationship. 63% of Canada’s imports come from the United States, while 75% of Canada’s exports go to the United States¹⁴⁶ The North American Free Trade Agreement was designed to liberalize trade between the two countries in 1994. Today over \$1.6 billion in goods cross the border everyday, along with 300,000 people,

¹⁴³ State Department, “Background Note: Canada,” <http://www.state.gov/r/pa/ei/bgn/2089.htm>.

¹⁴⁴ Robert O. Keohane and Joseph S. Nye, *Power and Interdependence*, Rev. ed. (New York, NY: Harper Collins, 1989), 9.

¹⁴⁵ Emanuel Adler and Michael Barnett, “Security communities in theoretical perspective,” in *Security Communities*, eds. Emanuel Adler and Michael Barnett (New York, NY: Cambridge University Press, 2000), 3.

¹⁴⁶ State Department, “Background Note: Canada,” <http://www.state.gov/r/pa/ei/bgn/2089.htm>.

but the relationship spans many areas beyond trade. There are extensive security and defense interactions and cooperation as another primary area of interdependence.

2. Multiple Channels

In order to narrow the scope of the analysis this thesis will only highlight multiple channels of communication that have relative importance for the Northwest Passage issue. For security and defense the North American Aerospace Defense (NORAD) alliance has been a primary channel of coordination between the two countries since 1958. In 2006 the NORAD agreement was updated to include joint maritime surveillance over the North and by extension surveillance of the Northwest Passage.¹⁴⁷ It would be exceedingly difficult to assemble a complete list of federal agency contact between the two countries, however an older study put the numbers at 31 American federal agencies and 21 Canadian counterparts back in 1965!¹⁴⁸ The most significant interstate interaction in the Arctic has been the joint mapping of the sea floor. Two rounds of cooperative surveying in the Beaufort Sea have been conducted in order to delineate the outer limits of the Canadian continental shelf beyond 200nm. This is crucial because Canada has until 2013 to submit its claims to an extended shelf under UNCLOS.¹⁴⁹

In the post 9/11 world of enhanced security and police cooperation the number of contacts between the Washington and Ottawa are likely significantly higher. Beyond state-to-state relations, the North American allies are members of multiple institutions: The United Nations, NATO, NORAD, NAFTA, Arctic Council, G8, and the G20. These institutions offer a complex web of overlapping agendas and contacts between the two countries as well. This complex U.S.-Canada relationship is so unique that IR theorists following Karl Deutsch have developed new theories concerning security communities to describe the relationship. Sean Shore argues that the large undefended border between the North American allies since the Civil War has contributed to the enduring trust and

¹⁴⁷ Byers, *Who Owns the Arctic?*, 78.

¹⁴⁸ Keohane and Nye, *Power and Interdependence*, 169.

¹⁴⁹ Foreign Affairs and International Trade Canada, "Canada and U.S. to conduct second joint survey of extended continental shelf in the arctic," July 28, 2009, <http://www.international.gc.ca/media/aff/news-communicues/2009/387434.aspx?lang=en>.

refuted realist claims that states that are not secure will be systematically punished.¹⁵⁰ These political security communities mature over time and are in line with the expectations of Keohane and Nye's theory of complex interdependence.

Transnational linkages where the state is not the central point of interaction also abound. For the Arctic, developing infrastructure to support shipping in the Northwest Passage is a key issue in the economic development of the region, as well as a security concern. The Canadian port of Churchill is one of the key terminals for future trans-arctic trade and is owned by Omnitrac Inc, a Denver based Multi-national Corporation.¹⁵¹ Additionally, a former Canadian foreign minister is running the Churchill development corporation in charge of port expansion. This transnational example highlights further evidence of the complex set of connections between the United States and Canada in the Arctic.

3. Agenda Hierarchy

With the plethora of contact channels between the countries, it is exceedingly difficult to infer a hierarchy of issues on the Arctic. Is the focus on security, shipping, environment, economic development, or preparedness? While territorial defense may have been the primary agenda item during the Cold War, following the collapse of the Soviet Union the deeply interconnected U.S. relationship with Canada lost the clear-cut hierarchy provided by the fear of Soviet nuclear attack. While defense and security are taken seriously and the two states maintain the same Cold War alliances, few would likely argue that security is still the top agenda item.

A recent joint statement issued by Prime Minister Harper of Canada and President Obama created a joint regulatory cooperation council to facilitate trade and

¹⁵⁰ Sean M. Shore, "No Fences Make Good Neighbors: the development of the Canadian-U.S. Security Community, 1871–1940" in *Security Communities*, eds. Emanuel Adler and Michael Barnett (New York, NY: Cambridge University Press, 2000), 333–334.

¹⁵¹ Emerson, *The Future History of the Arctic*, 162.

investment.¹⁵² For the Arctic, both countries have adopted an ecosystem-based approach that considers system wide impacts to the Arctic. “Both countries share common ecosystem objectives for the Arctic region: prevention, preparedness, response, and recovery.”¹⁵³ In fact, economic development of Arctic oil prospects has a long history of cooperation. In 1920 an American drill team discovered oil along the Mackenzie River in the Northwest Territories.¹⁵⁴ This is in direct contrast with what realism would predict. Neorealist theory would not predict concern for indigenous rights issues and environmental effects at the expense of pursuing economic interests. Through the Arctic Council, both states have confirmed their intentions to restrain development to some degree. This voluntary constraint on power is problematic for neorealist theory. Clinton era Arctic development policy also demonstrated restraint and the subordinating of economics to environmental concerns. In 1996 Congress passed a bill that authorized oil and gas development of the Arctic National Wildlife Refuge, which is expected to contain 11.6–31.5 billion barrels of oil.¹⁵⁵ President Clinton vetoed the bill citing the ANWR sections as the reason.¹⁵⁶

4. Military Force

Military cooperation was the initial basis of the post World War II relationship in the Arctic. As the *Polar Sea* narrative details, Canada wants to exert control over the Northwest Passage, but the concept of a military challenge to the United States over access is near zero. Keohane and Nye hypothesize that military power is not fungible under the conditions of complex interdependence.¹⁵⁷ When military force is ineffective, the conventional notions about power and its influence on disputes between states is

¹⁵² The White House, “Joint Statement by President Obama and Prime Minister Harper of Canada on Regulatory Cooperation,” February 4, 2011, <http://www.whitehouse.gov/the-press-office/2011/02/04/joint-statement-president-obama-and-prime-minister-harper-canada-regul-0>.

¹⁵³ Institute of the North, “Arctic Policy Forum,” 1, www.institutenorth.org/assets/images/uploads/.../ArcticPolicyForum.pdf.

¹⁵⁴ Emmerson, 173.

¹⁵⁵ Almanac of Policy Issues, “Arctic National Wildlife Refuge,” August 28, 2002, http://www.policyalmanac.org/environment/archive/crs_anwr.shtml.

¹⁵⁶ Ibid.

¹⁵⁷ Keohane and Nye, *Power and Interdependence*, 28.

minimized or marginalized.¹⁵⁸ The possibility of armed conflict between Canada and the United States is exceptionally remote. Ultimately, the relationship between Canada and the United States is compatible with all three of the core assumptions of the complex interdependence framework.

F. CONCLUSION

Some aspects of neorealism theory were applicable in the case study, the U.S.-Canada relationship in relation to a threatening Russian presence in the Arctic did meet Walt's framework for a "balancing" Alliance. Ultimately, neorealism was unable to properly describe the U.S.-Canada relationship in the Arctic. Additionally, the role of military power in the structure and outcome of the Arctic dispute did not provide accurate predictions. If realism held, the vastly more powerful U.S. position in the relationship would have resulted in a favorable resolution of the longstanding dispute over the characterization of the Northwest Passage. For Russia, even its emphasis on the Arctic as a resource base and, to some extent, its militarization of the Arctic still falls short of realist predictions. Instead of unilaterally exerting sovereignty over the Arctic, Russia has filed a claim under UNCLOS provisions to the International Seabed Authority to extend its territory.¹⁵⁹ By allowing states to pursue national interest goals, but bounding them within the rules of international regimes neoliberal institutionalism more accurately describes the state behavior in the Arctic. The North American allies also operate in compliance with the UNCLOS regime, although they disagree on the legal definition of the Northwest Passage.

This chapter argued that the relationship matched the three basic assumptions of complex interdependence, but it also highlighted the different measures of power that interdependence uses. "A useful beginning in political analysis of international interdependence can be made by thinking of asymmetrical interdependencies as sources of power among actors."¹⁶⁰ In this case, the relationship between the two North

¹⁵⁸ Keohane and Nye, *Power and Interdependence*, 8.

¹⁵⁹ Zellen, "As Climate Change Thins Polar Ice, a New Race for Arctic Resources Begins," 7.

¹⁶⁰ Keohane and Nye, *Power and Interdependence*, 18.

American allies is sufficiently interdependent that the power relationship described by realism fails to produce the expected outcome. Instead, it can be deduced from the long-standing nature of the disagreement and the failure to resolve it, that the power relationship does not reflect realist predictions based off security and economic measures of power. Canada's oil supply and the vast trade ties between the two states severely weaken the dominant U.S. military power position. Once military force is not a viable option for dispute resolution in an interstate relationship it becomes highly marginalized. Moreover, the expansive political and cultural integration of the two countries is predicted by complex interdependence and precludes the use of military power to solve problems.

V. CONCLUSION

A. OVERVIEW

This thesis has argued that the opening of the Arctic has the potential to bring dormant or unresolved issues to the forefront as states compete for maritime shipping economies and access to hydrocarbon natural resources on the continental shelves. In light of the particular maritime characteristics of the region this thesis identified two specific areas of sovereignty disputes as appropriate case studies for patterns of cooperation and conflict: border disputes and navigable waters disputes. By investigating these two specific cases of sovereignty disputes in the Arctic within the broader context of the issues at stake in the region, this thesis attempted to move beyond the simple characterizations of the region that continually emerge in publication.

The selection of case studies was significant. In the case of Norway and Russia, the emergence of cooperation on the Barents Sea boundary defies most conflict-oriented expectations. By understanding how two Cold-War adversaries settled a long standing boundary dispute in the Arctic at the same time that the so called “new cold war” in the Arctic was heating up, this thesis challenged fundamental neorealist predictions for the region. The relationship between the United States and Canada also represents a key test for international relations theory in the Arctic. Although the long-standing alliance and cooperation between the two North American states is generally over determined in both neorealism and neoliberal institutionalism, the fact that agreement on the legal definition over the Northwest Passage remains disputed reinforces the need to investigate the relationship in the Arctic with international relations theories.

B. THEORETICAL CONCLUSIONS

1. Neorealism

This thesis investigated several neorealist predictions for the region. First, that an opening Arctic would result in states pursuing resources and economic development of

the region to boost national power. There was clear evidence in both case studies that all four states were interested in pursuing national interests tied directly to both latent and military power factors as predicted by realists. Second, the prediction that pursuit of economic development would bring increased human activity and increased security threats to the region, and with it an increase in military activity in the region and the development of military capability for Arctic operations. The results here were less clear. There was evidence of some security competition in the Arctic between Russia and Norway. In the North American case, Canada has boosted military investment for Arctic operations, while the United States have not made significant efforts to securitize the region beyond existing capabilities. Third, this thesis investigated the power structure of the Arctic and found that Russia's geographic, economic, and demographic domination of the Arctic should result in balancing behavior from Norway, Canada, and the United States. These predictions were not clearly evident. While both Norway and Canada belong to a legacy alliance via the North Atlantic Treaty Organization, that alliance is not a significant actor in the region nor did changes in the Arctic and the resulting structural changes result in the predicted state behavior. Crucially, the unbalanced power structure of the Arctic did not lead to significant gains for Russia in the negotiation of the Barents Sea Treaty with Norway. Finally, realism predicts that states should ignore or break the rules established by international regimes and institutions when it is in their interest to do so. There was very little evidence of rule breaking across both case studies. The illegal penetration of Russian military aircraft into NATO airspace in Europe was the only significant example of rule breaking behavior.

2. Neoliberal institutionalism

The neoliberal theoretical framework investigated allowed for many of the neorealist assumptions about state priorities on elements of power, but was able to more accurately describe the behavior of the states in pursuing those interests. First, this thesis investigated the assumption that states act rationally and that rule-based regimes allow them to benefit over time through cooperation, and that those benefits outweigh the costs of constraining their behavior in the short-term. This was clearly evident in the Barents

Sea Treaty case as the dispute is grounded in claims to resource rights yet the dispute clearly evolved with the international regime of the Law of the Sea. Additionally, the cooperative spirit of the Arctic Council and the Ilulissat Declaration were key in shaping the Arctic competition between Norway and Russia into cooperation. The role the Arctic Council plays in providing a forum for discussion and bargaining, and its ability to provide reciprocity and future interactions, ultimately enhanced cooperation in the Arctic region. In general, competition in the Arctic has been bounded and conflict has been absent.

C. THE U.S.-CANADA RELATIONSHIP

This thesis has identified the ability of neoliberal institutionalism to incorporate key elements of neorealism, yet offers the possibility of sustained cooperation in the Arctic. How does this shape Arctic sovereignty disputes? Keohane and Nye state:

As military force is devalued, militarily strong states will find it more difficult to use their overall dominance to control outcomes on issues in which they are weak. And since the distribution of power resources in trade, shipping, or oil, for example, may be quite different, patterns of outcomes and distinctive political processes are likely to vary from one set of issues to another. If force were readily applicable, and military security were the highest foreign policy goal, these variations in the issue structures of power would not matter very much.¹⁶¹

The inability for the United States to convince Canada to recognize its characterization of the Northwest Passage as an international strait is strong evidence for arguing that the relationship is one that is accurately described by complex interdependence and supports the neoliberal institutionalism argument. They go on to state that:

Even for countries whose relations approximate complex interdependence, two serious qualifications remain: (1) drastic social and political change could cause force again to become an important direct instrument of policy; and (2) even when elites' interests are complementary, a country

¹⁶¹ Keohane and Nye, *Power and Interdependence*, 30–31.

that uses military force to protect another may have significant political influence over the other country.¹⁶²

While this analysis should dampen conclusions about geopolitical conflict in the Arctic between the United States and Canada, that relationship is unique in the world. It would be highly problematic to extrapolate these specific conclusions to the other Arctic states.

The North American Arctic case study still highlights important factors that reject realist assumptions about state behavior. Clearly military power has no utility in the relationship. Additionally, neither state has stepped outside the legal boundaries of the Law of the Sea during the dispute over the Northwest Passage. Despite clear latent power advantages to securing the use of this shipping route, each state has maintained its differing legal interpretation while seeking to avoid conflicts.

D. RUSSIA, NORWAY, AND THE BARENTS SEA DISPUTE

Understanding Russia's approach to the Arctic is the most problematic for scholars and security analysts. The state pursues realist sources of power in the Arctic and its geographic, economic, and demographic domination of the region create a perceived threat, even when its actions are cooperative. The signing of the Illulissat Declaration brings with it a promise to resolve disputes utilizing the Law of the sea framework, and to pursue resolutions in a cooperative framework. The case study clearly demonstrated that these international regimes significantly shaped the dispute and ultimately enabled their resolution.

However, Russian reorganization and military operations in the Arctic in August 2011 coincide with lead up to UNCLOS continental shelf EEZ extension claim submissions. A realist analysis would point to this as evidence that Russia is prepared to pursue naked self-interest through military power to protect its national interests in the Arctic if its claims are rejected. Russia could be preparing for a negative decision on its EEZ extension claims by committing military resources to the region. The Barents case

¹⁶² Ibid., 28.

study demonstrates that military power had little influence on the dispute settlement, but realists would argue that they offered cooperation in the Barents as a sacrifice in order to increase its cache for the upcoming Arctic territory extension. Ultimately, the future will always hold a degree of uncertainty. However, the Barents Sea case study still offers a clear victory of neoliberal institutionalism claims about cooperative interstate behavior. Norway and Russia seemed to have internalized these lessons as evidenced by continuing cooperation and engagement between the two states on Arctic matters.

E. THE ROLE OF INTERNATIONAL REGIMES

The international regime established by the UNCLOS serves as the cornerstone of Arctic geopolitics, but its conventions leave room for disputes in interpretations. Despite the presence of sovereignty disputes in the Arctic, the extent that states shape their claims in the language of the Law of the Sea vindicates neoliberal institutional claims. Additionally, the Arctic Council has had a strong role in providing a forum for Arctic states to cooperate in an effective manner. When combined with other institutions that enhance cooperation over specific resources like fisheries, these Arctic institutions create multiple channels of cooperation in a competitive region.

The most powerful evidence in support of neoliberal institutionalism's hypothesis on international regimes is manifested in the Ilulissat Declaration. Not only is it a formal, legal agreement to pursue cooperative resolution to disputes in the Arctic, the language of the agreement is essentially underpinned by neoliberal institutionalist theory. The Arctic Council relies on consensus and repeated interaction to increase the benefits of cooperation on Arctic issues and create an incentive to comply with established rules. It has already generated legal obligations for cooperation on search and rescue.

F. POLICY IMPLICATIONS

As discussed in Chapter II, states are generally setting cooperation as a policy priority in the Arctic. However, regional military cooperation has been limited. In the meantime, states are preparing to operate in the "new ocean." The military certainly has a role in the Arctic. However, as the thesis describes, the degree in which the region is

militarized (even in the absence of outright conflict) shapes the Arctic in ways that realists predict. Russian Lieutenant General Vladimir Shamanov of the Ministry of Defense justified his decision to create an Arctic *Spetsnaz* unit by citing U.S. exercises in Alaska in 2008, which involved 5,000 military personnel.¹⁶³ This summer saw additional exercises and attention to the Arctic by the U.S. Navy. Acknowledging that unilateral military operations may be sub-optimal is a natural outgrowth of this research. The military has a role to play, doing the expensive and dangerous business of opening the Arctic frontier. However, an emphasis should be placed on operating in a multilateral military environment, including annual international exercises to continue a cooperative spirit and to avoid unnecessary security competition.

As we look toward the future of the Arctic it is important to understand the fallibility of predictions.¹⁶⁴ Even recent articles discussing the “future” of the arctic with regard to shipping and resource exploration are rapidly becoming out of date. As of Summer 2011, Exxon and Rosneft signed a deal to begin developing Arctic oil resources, the sea ice reached another near record minimum, and several ships transited the northern sea route to from Murmansk to the far East. The future of the Arctic is here, now.

¹⁶³ Laruelle, “Russian Military Presence in the High North: Projection of Power and Capacities of Action,” 67.

¹⁶⁴ “Arctic Ocean to lose ice faster than predicted: MIT,” retrieved August 20, 2011, from <http://www.canada.com/technology/Arctic+Ocean+lose+faster+than+predicted/5237451/story.html>.

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